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, 2018

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. 001-32876

WYNDHAM DESTINATIONS, INC.

(Exact name of Registrant as Specified in Its Charter)

DELAWARE	**20-0052541**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)
6277 Sea Harbor Drive **Orlando, Florida** (Address of Principal Executive Offices)	**32821** (Zip Code)

(407) 626-5200
(Registrant's telephone number, including area code)

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

Title of each Class	**Name of each exchange on which registered**
Common Stock, Par Value $0.01 per share	New York Stock Exchange

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

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

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

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

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☑

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

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. Yes ☐ No ☐

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

The aggregate market value of the registrant's common stock held by non-affiliates of the registrant as of June 30, 2018, was $4,357,367,362. All executive officers and directors of the registrant have been deemed, solely for the purpose of the foregoing calculation, to be "affiliates" of the registrant.

As of January 31, 2019, the registrant had outstanding 94,462,996 shares of common stock.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of our Proxy Statement prepared for our 2019 Annual Meeting of Shareholders are incorporated by reference into Part III (Items 10, 11, 12, 13 and 14) of this report .

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GLOSSARY OF TERMS

The following terms and acronyms appear in the text of this report and have the definitions indicated below:

Adjusted EBITDA	A non-GAAP measure, defined by the Company as Net income before Depreciation and amortization, Interest expense (excluding Consumer financing interest), Early extinguishment of debt, Interest income (excluding Consumer financing revenues) and Income taxes, each of which is presented on the Consolidated Statements of Income. Adjusted EBITDA also excludes stock-based compensation costs, separation and restructuring costs, transaction costs, impairments, and items that meet the conditions of unusual and/or infrequent.
AOCI	Accumulated Other Comprehensive Income
AOCL	Accumulated Other Comprehensive Loss
ARDA	American Resort Development Association
Barclays	Barclays Bank PLC
Board	Board of Directors
Buyer	Compass IV Limited, and affiliate of Platinum Equity, LLC
CCPA	Consumer Privacy Act of 2018
CMP	Community Marketing Presence
Company	Wyndham Destinations, Inc. and its subsidiaries
COSO	Committee of Sponsoring Organizations of the Treadway Commission
EBITDA	Earnings Before Interest, Income Taxes and Depreciation/Amortization
EPS	Earnings Per Share
Exchange Act	Securities Exchange Act of 1934
FASB	Financial Accounting Standards Board
FICO	Fair Isaac Corporation
GAAP	Generally Accepted Accounting Principles in the United States
GDPR	General Data Protection Regulation
HFS	Hospitality Franchise Systems
IRS	United States Internal Revenue Service
La Quinta	La Quinta Holdings Inc.
LIBOR	London Interbank Offered Rate
Moody's	Moody's Investors Service, Inc.
NM	Not meaningful
NQ	Non-Qualified stock options
NYSE	New York Stock Exchange
PCAOB	Public Company Accounting Oversight Board
PSU	Performance-vested restricted Stock Units
RSU	Restricted Stock Unit
ROU	Right-of-use
S&P	Standard & Poor's Rating Services
SAB	SEC Staff Accounting Bulletin
SEC	Securities and Exchange Commission
SOFR	Secured Overnight Financing Rate
SPE	Special Purpose Entity
Spin-off	Spin-off of Wyndham Hotels & Resorts, Inc.
SSAR	Stock-Settled Appreciation Rights
U.S.	United States of America

U.S. Tax Reform	Tax Cuts and Jobs Act
VIE	Variable Interest Entity
VOI	Vacation Ownership Interest
VPG	Volume Per Guest
Wyndham Hotels	Wyndham Hotels & Resorts, Inc.
Wyndham Destinations	Wyndham Destinations, Inc.
Wyndham Worldwide	Wyndham Worldwide Corporation

PART I

Forward Looking Statements

This report includes "forward-looking statements" as that term is defined by the Securities and Exchange Commission ("SEC"). Forward-looking statements are any statements other than statements of historical fact, including statements regarding our expectations, beliefs, hopes, intentions or strategies regarding the future. In some cases, forward-looking statements can be identified by the use of words such as "may," "will," "expects," "should," "believes," "plans," "anticipates," "estimates," "predicts," "potential," "continue," "future" or other words of similar meaning. Forward-looking statements are subject to risks and uncertainties that could cause actual results of Wyndham Destinations, Inc. to differ materially from those discussed in, or implied by, the forward-looking statements. Factors that might cause such a difference include, but are not limited to, general economic conditions, the performance of the financial and credit markets, the economic environment for the timeshare industry, the impact of war, terrorist activity or political strife, operating risks associated with the vacation ownership and vacation exchange and rentals businesses, uncertainties related to our ability to realize the anticipated benefits of the spin-off of Wyndham Hotels & Resorts, Inc. ("Spin-off") or the divestiture of our European vacation rentals business, unanticipated developments related to the impact of the spin-off, the divestiture of our European vacation rentals business and related transactions on our relationships with our customers, suppliers, employees and others with whom we have relationships, unanticipated developments resulting from possible disruption to our operations resulting from the spin-off and the divestiture of our European vacation rentals business, the timing and amount of future dividends and share repurchases and those disclosed as risks under "Risk Factors" in documents we have filed with the SEC, including in Part I, Item 1A of this report. We caution readers that any such statements are based on currently available operational, financial and competitive information, and they should not place undue reliance on these forward-looking statements, which reflect management's opinion only as of the date on which they were made. We undertake no obligation to review or update these forward-looking statements to reflect events or circumstances as they occur.

Where You Can Find More Information

We file annual, quarterly and current reports, proxy statements, reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and other information with the SEC. Our SEC filings are available free of charge to the public over the Internet at the SEC's website at http://www.sec.gov. Our SEC filings are also available on our website at http://www.WyndhamDestinations.com as soon as reasonably practicable after they are filed with or furnished to the SEC.

We maintain an internet site athttp://www.WyndhamDestinations.com. Our website and the information contained on or connected to that site are not incorporated into this Annual Report.

ITEM 1. BUSINESS

Company Overview

We are the world's largest vacation ownership and exchange company. We offer everyday travelers the opportunity to own, exchange or rent their vacation experience while enjoying the quality, flexibility and value that we deliver. Our global presence in approximately 110 countries means more vacation choices for our over four million members and owner families, with 224 resorts that offer a contemporary take on the timeshare model - including vacation club brands Club Wyndham, WorldMark by Wyndham, and Margaritaville Vacation Club by Wyndham - over 4,300 affiliated resorts through RCI, the world's leader in vacation exchange, and over 9,000 rental properties from coast to coast through Wyndham Vacation Rentals, North America's largest professionally managed vacation rental business.

Recent Developments

European Vacation Rentals Business

We sold our European vacation rentals business on May 9, 2018. This sale resulted in final net proceeds of $1.06 billion and an after-tax gain of $456 million, net of $139 million in taxes. We have provided post-closing credit support in order to ensure that Platinum Equity, LLC (the "Buyer") meets the requirements of certain service providers and regulatory authorities. The results of operations of this business have been classified as discontinued operations on the Consolidated Financial Statements. For further details see Note 6—*Discontinued Operations* to the Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K.

Hotel Business Spin-off

We completed the spin-off of our hotel business on May 31, 2018, which resulted in our operations being held by two separate, publicly traded companies. The two public companies have entered into long-term exclusive license agreements to retain their

affiliations with one of the industry's top-rated loyalty programs, Wyndham Rewards, as well as to continue to collaborate on inventory-sharing and customer cross-selling initiatives. This transaction is expected to result in enhanced strategic and management focus on the core business and growth of each company; more efficient capital allocation, direct access to capital and expanded growth opportunities for each company; the ability to implement a tailored approach to recruiting and retaining employees at each company; improved investor understanding of the business strategy and operating results of each company; and enhanced investor choice by offering investment opportunities in separate entities. This transaction was effected through a pro rata distribution of the new hotel entity's stock to existing Wyndham Destinations shareholders. The new hotel company was named Wyndham Hotels & Resorts, Inc. ("Wyndham Hotels"). As a result of the Spin-off, we have classified the results of operations of our hotel business as discontinued operations on the Consolidated Financial Statements. For further details see Note 6—*Discontinued Operations* to the Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K.

North American Vacation Rentals Business

During 2018, the Company decided to explore strategic alternatives for its North American vacation rentals business and during the fourth quarter commenced activities to facilitate the sale of this business. The assets and liabilities of this business have been classified as held-for-sale as of December 31, 2018. This business does not meet the criteria to be classified as a discontinued operation; therefore, the results were reflected within continuing operations on the Consolidated Statements of Income. For further details see Note 7—*Held-for-Sale Business* to the Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K.

Board of Director Changes

In connection with the Spin-off, on May 31, 2018, (i) Myra J. Biblowit, The Right Honourable Brian Mulroney and Pauline D.E. Richards resigned from the Company's Board of Directors; (ii) Michael D. Brown, Denny Marie Post and Ronald L. Rickles were appointed to the Company's Board of Directors and (iii) Stephen P. Holmes was appointed to the new position of Non-Executive Chairman of the Company's Board of Directors. In addition, the composition of the Audit Committee, the Compensation Committee, the Corporate Governance Committee and the Executive Committee of the Company's Board of Directors is now as follows:

Audit Committee	***Corporate Governance Committee***
Michael H. Wargotz (Chair)	George Herrera (Chair)
Louise F. Brady	Denny Marie Post
George Herrera	Ronald L. Rickles
Ronald L. Rickles	

Compensation Committee	***Executive Committee***
Louise F. Brady (Chair)	Stephen P. Holmes (Chair)
James E. Buckman	Michael D. Brown
Denny Marie Post	James E. Buckman
Michael H. Wargotz	Michael H. Wargotz

Management Changes

In connection with the Spin-off, on May 31, 2018, Stephen P. Holmes resigned as Chief Executive Officer, Geoffrey A. Ballotti resigned as President and Chief Executive Officer of Wyndham Hotel Group, David B. Wyshner resigned as Executive Vice President and Chief Financial Officer, Gail Mandel resigned as President and Chief Executive Officer of Wyndham Destination Network, LLC and Nicola Rossi resigned as Chief Accounting Officer. As previously announced, in August 2017, Thomas G. Conforti ceased serving as Chief Financial Officer of the Company and transitioned into a senior advisory role, from which he resigned five days after the completion of the Spin-off. In addition to being appointed as Non-Executive Chairman of the Company's Board of Directors, Stephen P. Holmes was appointed as the Non-Executive Chairman of the board of directors of Wyndham Hotels. Mr. Ballotti, Mr. Wyshner and Mr. Rossi were appointed to similar positions at Wyndham Hotels.

The following individuals were appointed to serve as executive officers of the Company effective upon the completion of the Spin-off.

Officer	*Position*
Michael D. Brown	Chief Executive Officer and President
Michael A. Hug	Chief Financial Officer
Elizabeth E. Dreyer	Senior Vice President and Chief Accounting Officer

Continuing Operations

Following the sale of the European vacation rentals business and the spin-off of the hotel business, our continuing operations are grouped into two segments: Vacation Ownership and Exchange & Rentals.

- ***Vacation Ownership*** is the world's largest timeshare business, with 224 resorts and approximately 880,000 owners. We develop and market Vacation Ownership Interests ("VOIs") to individual consumers, provide consumer financing in connection with the sale of VOIs and provide property management services at resorts.
- ***Exchange & Rentals*** operates the world's largest vacation exchange network, with approximately 3.8 million members, and is a leading provider of professionally managed vacation rentals in North America. Our vacation exchange business has relationships with over 4,300 vacation ownership resorts located in approximately 110 countries and territories, and our vacation rentals business offers North American-based rental properties in over 50 destinations. This is primarily a Fee-for-Service business that provides stable revenue streams and produces strong cash flow.

Our business segments generate a diversified revenue stream and significant cash flow. Approximately 41% of our revenues are generated from our fee-for-service businesses. We derive our fee revenues principally from (i) the sale of VOIs and related financing, (ii) providing property management services to Vacation Ownership resorts, (iii) providing vacation exchange and rentals services and (iv) providing services under our Fee-for-Service model in our timeshare business.

All of our businesses have both domestic and international operations. During 2018, we derived 89% of our revenues in the United States ("U.S.") and 11% internationally. For a discussion of our segment revenues, profits, assets and geographical operations, see Note 23—*Segment Information* to the Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K.

Business Strategy

Following 2018's successful launch of Wyndham Destinations as a separate company, we believe we are in a strong position to build on this momentum in 2019 and beyond. Our Wyndham Destinations strategic pillars serve to clarify our top priorities in order to enhance shareholder value and return capital to our shareholders through share repurchases and dividends. The four Strategic Pillars affirm our mindset that customers must dominate our focus, while also reflecting our relentless drive for superior sales and marketing, exceptional brands and products, as well as our commitment to operate all areas of the business with excellence.

Our execution of this strategy is firmly anchored by our culture - the foundation comprised of the shared values, competencies and spirit of our global team. Aligned with our vision to put the world on vacation, our values are the HEART of Wyndham Destinations: Hospitality, Engagement, Accountability, Respect, Teamwork. We recognize that our impact on customers, associates and communities strengthens lives. Wyndham Destinations thrives upon the commitment of our 24,000+ associates, and we foster a culture that unlocks the full potential for success as a company, and as individual and team contributors.

1. Customer Obsession

Far beyond a hospitality initiative, Customer Obsession is our global credo that the Wyndham Destinations team puts affiliates, owners, members and guests first in all areas of our business. Three straightforward guidelines support this focus and underscore our commitment to excellence in customer service:

- *Make It Easy* reminds us of the fact that simple is better. Not only will it be easy to do business with us, we will pursue synergies within the company that benefit our customers. The alignment of our team, systems and operations enables us to deliver better customer experiences.
- *Know Our Customers* reflects our priority to understand customer preferences, personalize engagement and fulfill expectations. By leveraging integrated data to tailor the content and channels of customer communications, we will customize connections at every opportunity.

- *Customer, Customer, Customer* is all about keeping the customer at the center of our focus. Our commitment to listen and respond to feedback ensures that the voice of the customer drives our decisions.

2. Best-in-Class Sales & Marketing

This strategy focuses on fueling the continued growth of Wyndham Destinations. We will remain globally relevant to travelers by staying committed to innovation and continuing to build and strengthen relationships with our customers. Four core elements define our goals and align with our pledge to treat all customers with respect and integrity:

- *Blue Thread* is our connection to Wyndham Hotels & Resorts and Wyndham Rewards loyalty program customers. The demographics of this significant consumer group are strongly aligned to our owner demographics, enabling us to fill our sales pipeline and deliver new vacation experiences to Wyndham loyalists.
- *Partnership Pipeline* enables us to leverage the expertise of strategic partners to accelerate our growth and deliver enhanced benefits to our owners and members. We will strengthen and extend existing relationships, while developing new partners to reach untapped segments.
- *Digital & Customer Relationship Marketing* will bring timeshare to the next generation. We will optimize technology to be relevant and compelling to meet our customers' expectations and we will infuse transparency, speed and accuracy into our processes.
- *Sales Experience* relates to the evolution of the places and processes that mark the journey of ownership. We will invest in bold transformations to revitalize the customer experience and drive customer engagement about vacations.

3. Leading Brands & Offerings

This strategy is about creating a simple yet powerful narrative of who we are and what we sell. This effort began with the launch of Wyndham Destinations and continues with the refreshed branding of Club Wyndham and WorldMark by Wyndham. Three core elements define this strategy:

- *Brand Transformation* shows our commitment to become even better at articulating the value proposition of each of our brands and making them relevant and enticing to our diverse owners, members and prospects.
- *Network Expansion* means growing our portfolio to meet the needs of our customers. Not only is this about adding more locations, it's also about keeping our products and services refreshed and cutting edge.
- *RCI Re-ignition* will focus on leveraging the strengths of our iconic exchange brand to innovate while maintaining continued growth.

4. Operating Excellence

This strategy is the business engine that enables our delivery of great vacations and optimal performance through aligned operations. Two core elements drive this strategy:

- *Resort Operating Excellence* sustains our ability to provide great vacation experiences to our owners, members and guests. The strategic deployment of capital and reserves to maintain top quality resorts, combined with our optimal use of inventory, drives this cycle of excellence.
- *Prioritization* reflects our disciplined operation as an integrated company. Our alignment around prioritized work and our management of general, administrative and overhead expenses relative to revenue growth fuels efficiency and effectiveness.

In summary, we believe that the successful execution of our business strategy will allow us to increase cash flows and profitability, creating more value for our shareholders.

History and Development

Our corporate history can be traced back to the formation of Hospitality Franchise Systems ("HFS") in 1990. HFS initially began as a hotel franchisor that later expanded to include the addition of the vacation exchange business. In December 1997, HFS merged with CUC International, Inc. to form Cendant Corporation, which then expanded further through the addition of vacation rentals and vacation ownership businesses. On July 31, 2006, Cendant distributed all of the shares of its subsidiary, Wyndham Worldwide, to the holders of Cendant common stock. On August 1, 2006, we commenced "regular way" trading on the New York Stock Exchange under the symbol "WYN".

On May 31, 2018, we completed the spin-off of our hotel business into a separate publicly traded company, Wyndham Hotels & Resorts, Inc. ("Wyndham Hotels"). This transaction was effected through a pro rata distribution of the new hotel entity's stock to Wyndham Destinations shareholders. In connection with the Spin-off, we entered into certain agreements with Wyndham Hotels to implement the legal and structural separation, govern the relationship between us and Wyndham Hotels up to and after the completion of the separation, and allocate various assets, liabilities and obligations, including, among other things, employee benefits, intellectual property and tax-related assets and liabilities between us and Wyndham Hotels. The two public companies have entered into long-term exclusive license agreements to retain their affiliations with one of the industry's top-rated loyalty programs, Wyndham Rewards, as well as to continue to collaborate on inventory-sharing and customer cross-selling initiatives.

RCI, our vacation exchange business, was established in 1974. Our vacation ownership brands began operations in 1978 with Shell Vacations Club, followed by Wyndham Vacation Resorts (formerly known as Fairfield Resorts) in 1980 and WorldMark by Wyndham (formerly known as Trendwest Resorts) in 1989.

Our portfolio of well-known hospitality brands was assembled over the past twenty-nine years. The following is a timeline of some of our acquisitions:

Year	Acquisition
1996	Resort Condominiums International (RCI)
2001	Wyndham Vacation Resorts
2002	WorldMark by Wyndham
	Equivest
2010	ResortQuest
2011	The Resort Company
	Bahama Bay/Caribe Cove
2012	Shell Vacations Club
	Oceana Resorts
	Smoky Mountain Property Management
2013	Midtown 45, NYC Property
2014	Raintree Vacation Club (5 Properties)
	Hatteras Realty, Inc.
2015	Vacation Palm Springs
	ResortQuest Whistler
2017	Love Home Swap
	DAE Global Pty Ltd

BUSINESS DESCRIPTIONS

The following is a description of our two business segments, Vacation Ownership and Exchange & Rentals, and the industries in which they compete.

VACATION OWNERSHIP

Industry

The vacation ownership industry, also referred to as the timeshare industry, enables consumers to share ownership of a fully-furnished vacation accommodation. Typically, the consumer purchases either a title to a fraction of a unit or a right to use a property for a specific period of time. This is referred to as a Vacation Ownership Interest ("VOI"). VOIs are generally sold through weekly interval or points-based systems. Under a weekly interval system, owners can use a specific unit at a specific resort often during a specific week of the year. Under a points-based system, owners often have advance reservation rights for a particular destination, but are free to redeem their points for various unit types and/or locations. In addition, points owners can vary the length and frequency of product utilization. Once point values are established for particular units, they generally cannot be changed. For many purchasers, vacation ownership is an attractive alternative to traditional lodging accommodations at hotels. In addition to avoiding variability in room rates, timeshare owners also enjoy accommodations that are, on average, more than twice the size and typically have more features than traditional hotel rooms, such as kitchens, separate living areas and in-unit laundry.

Typically, developers sell VOIs for a fixed purchase price that is paid in full at closing or financed through developer-offered financing options. Vacation ownership resorts are often operated by a property owners' association of which the VOI owners are members. Most property owners' associations are governed by a board of directors that includes owners and which may include representatives of the developer. The board of the property owners' association typically delegates much of the responsibility for managing the resort to a management company, which is often affiliated with the developer.

After the initial purchase, most vacation ownership programs require the owner to pay an annual maintenance fee. This fee represents the owner's allocable share of the costs and expenses of operating and maintaining the vacation ownership property and providing program services. This fee typically covers expenses such as housekeeping, landscaping, taxes, insurance, resort labor, a management fee payable to the management company and an assessment to fund a reserve account used to renovate, refurbish and replace furnishings, appliances, common areas and other assets, such as structural elements and equipment, as needed over time. Owners typically reserve their usage of vacation accommodations in advance through a reservation system. These reservation systems are often provided by the management company or an affiliated entity.

Market awareness and acceptance of vacation ownership products has grown with the entrance into the market of well-known lodging and entertainment brands, such as Wyndham, Marriott, Hilton and Disney. Additionally, the industry's growth can also be attributed to stronger consumer protection laws and the evolution from primarily weekly intervals systems to points-based systems. According to the American Resort Development Association ("ARDA"), a trade association representing the vacation ownership and resort development industries, industry-wide sales were divided 73% for points-based systems and 27% for weekly intervals in 2017.

Based on published industry data, the primary reasons owners have expressed for buying and continuing to own their timeshare are as follows:

- saving money on future vacation costs;
- location of resorts;
- overall flexibility by allowing them the ability to use different locations, unit types and times of year;
- certainty of vacations; and
- certainty of quality accommodations.

According to a 2017 report issued by ARDA, domestic vacation ownership sales were approximately $9.2 billion in 2016, compared to $8.6 billion in 2015. Demographic factors explain, in part, the continued appeal of vacation ownership. A 2016 study of recent U.S. vacation ownership purchasers indicated that the average timeshare owner is 47 years old and has an average annual household income of $93,000. Nearly half of the respondents indicated they plan to buy or upgrade a timeshare over the next two years. This, along with other industry data, suggests that the typical purchaser in the U.S. has disposable income and is interested in purchasing vacation products. Although we believe baby boomers will continue to be active participants in the vacation ownership industry, this study notes that 41% of the respondents were Gen X'ers and 26% were Millennials and that the average age of new first-time purchasers was 43 years old with an average household income of $88,000. The data also suggests that Millennials' perception of the industry and primary reasons for buying their timeshare is similar to the overall population of owners; however, they seek even more flexibility in using and accessing the product. Most owners can exchange their timeshare unit through exchange companies and through the applicable vacation ownership company's internal network of properties.

Vacation Ownership Overview

We operate the world's largest vacation ownership business. We develop and acquire vacation ownership resorts, market and sell VOIs, provide consumer financing for the majority of the sales and provide property management services to property owners' associations. As of December 31, 2018, we had 224 vacation ownership resorts in the U.S., Canada, Mexico, Caribbean and South Pacific that represent more than 25,000 individual vacation ownership units and approximately 880,000 owners of VOIs.

Our brands primarily operate points-based vacation ownership systems through which VOIs can be redeemed for vacations that provide owners with flexibility as to resort location, length of stay, number of stays, unit type and time of year. Our programs allow us to market and sell our vacation ownership products in variable quantities and to offer existing owners "upgrade" sales to supplement their existing VOIs. Less than 1% of our VOI product sales are from traditional weekly interval systems.

Although we offer separate brands, we have integrated substantially all of the business functions, including consumer finance, information technology, staff functions, product development and marketing activities.

Revenues and Operating Statistics

Our vacation ownership business derives a majority of its revenues from timeshare sales, with the remainder of revenues coming from consumer financing and property management. Property management revenues are partly dependent on the number of units we manage.

Performance in our vacation ownership business is measured by the following key operating statistics:

- Gross vacation ownership interest sales or VOIs - Sales of VOIs including Fee-for-Service sales before the effect of loan loss provisions.
- Tours - Number of tours taken by guests in our efforts to sell VOIs.
- Volume per guest or ("VPG") - Gross VOI sales (excluding tele-sales upgrades, which are non-tour upgrade sales) divided by the number of tours. We have excluded non-tour upgrade sales in the calculation of VPG because non-tour upgrade sales are generated by a different marketing channel.

Vacation Ownership Brands

We operate under the following brands:

Club Wyndham. As one of Wyndham Destinations' flagship vacation brands, Club Wyndham gives travelers the chance to live their bucket list and seek new adventures along the way. Spacious suites feature fully equipped kitchens, separate living and dining areas, private bedrooms, and on-site recreation facilities. Club Wyndham lets travelers experience the best of what the world has to offer, with 99 resorts in top destinations across North America, Brazil, the South Pacific and Caribbean.

WorldMark by Wyndham. WorldMark promises families more time to be together and more time for new traditions and new discoveries at a resort that feels like home. WorldMark suites provide all the amenities families need - including fully equipped kitchens, separate living and dining areas, separate bedrooms, and a washer/dryer. WorldMark by Wyndham offers a flexible vacation portfolio, with over 90 resorts in a variety of destinations across the U.S., Canada, Mexico and Asia-Pacific.

Presidential Reserve by Wyndham. Travelers seeking an enhanced vacation experience distinguished by luxurious suites, exclusive amenities, guaranteed access and other special benefits will enjoy the first class experience provided by our Presidential Reserve by Wyndham.

Shell Vacations Club. With a 40-year tradition of hospitality and service, Shell Vacations Club members have access to vacation ownership resorts and properties in the heart of culturally rich metropolitan areas, serene mountain communities and relaxed coastal resort cities. Shell Vacations' 25 condo-style resorts are located throughout the western seaboard, Canada and Mexico.

Margaritaville Vacation Club by Wyndham. Inspired by the laid-back, adventurous lifestyle of Jimmy Buffett and the escapism of Margaritaville®, Margaritaville Vacation Club delivers a tropical experience through accommodations with a nautical feel, including fully equipped kitchens with a bar area complete with a Frozen Concoction Maker® and relaxing outdoor seating areas. Margaritaville Vacation Club properties include St. Thomas, U.S. Virgin Islands, Rio Mar, and Puerto Rico, with Nashville coming in Fall 2019.

Our multi-brand strategy allows us to deliver a broad range of vacation ownership products, locations and price points to a wide spectrum of travelers. Likewise, it also allows us to pursue development opportunities in a wide range of destinations, including international and urban markets. Having a diverse brand portfolio means we can select the most appropriate brand and development partners to expand our footprint. We have used this advantage to build the largest global footprint in the timeshare industry, with resorts across North America, Asia, the South Pacific and Caribbean.

	Domestic		International			
	Resorts	Units	Resorts	Units	Total Resorts	Total Units
Club Wyndham	99	13,573	—	—	99	13,573
Worldmark by Wyndham	86	6,884	10	575	96	7,459
Club Wyndham Asia Pacific	3	40	29	1,492	32	1,532
Presidential Reserve by Wyndham	19	425	—	—	19	425
Shell Vacations Club	22	1,934	3	292	25	2,226
Margaritaville Vacation Club	2	186	—	—	2	186
Total (including dual-branded resorts)	**231**	**23,042**	**42**	**2,359**	**273**	**25,401**
Less: dual-branded resorts					(49)	
Total resorts					**224**	

Sales and Marketing

We employ a variety of marketing channels to encourage prospective owners of VOIs to tour our properties and attend sales presentations at our resort-based sales centers as well as off-site sales offices. Our resort-based sales centers also enable us to actively solicit upgrade sales to existing owners of VOIs while they vacation at our resorts. We operate a tele-sales program designed to market upgrade sales to existing owners of our products. Sales of VOIs relating to upgrades represented 62%, 65% and 67% of our net VOI sales during 2018, 2017 and 2016, respectively.

We use a variety of marketing programs to attract prospective owners, including sponsored contests that offer vacation packages or gifts, targeted mailings, outbound and inbound telemarketing efforts, and in association with Wyndham Hotels brands, other co-branded marketing programs and events. We also partner with Wyndham Hotels by utilizing the Wyndham Rewards loyalty program to offer Wyndham Rewards points as an incentive to prospective VOI purchasers, and by providing additional redemption options to Wyndham Rewards members. We co-sponsor sweepstakes, giveaways and promotional programs with professional teams at major sporting events and with other third parties at high-traffic consumer events. Where permissible under state law, we offer cash awards or other incentives to existing owners for referrals of new owners.

New owner acquisition is an important strategy for us as this will continue to maintain our pool of "lifetime" buyers of vacation ownership and thus enable us to solicit upgrade sales in the future. We believe the market for VOI sales is under-penetrated, and estimate that there are 53 million U.S. households that are potential purchasers of VOIs. We added approximately 37,000, 36,000 and 33,000 new owners during 2018, 2017 and 2016, respectively.

Our marketing and sales activities are often facilitated through marketing alliances with other travel, hospitality, entertainment, gaming and retail companies that provide access to such companies' customers through a variety of co-branded marketing offers. Our resort-based sales centers, which are located in popular travel destinations throughout the U.S., generate substantial tour flow by enabling us to market to tourists already visiting these destinations. Our marketing agents, who often operate on the premises of the hospitality, entertainment, gaming and retail companies with which we have alliances, solicit tourists with offers relating to entertainment activities and other incentives in exchange for the tourists visiting the local resorts and attending sales presentations.

An example of a marketing alliance through which we market to tourists visiting destination areas is our current arrangement with Caesars Entertainment in Las Vegas, Nevada. This arrangement enables us to operate concierge-style marketing kiosks throughout select casinos and permits us to solicit patrons to attend sales presentations with casino-related rewards and entertainment offers, such as gaming chips, show tickets and dining certificates. We also operate our primary Las Vegas sales center within Harrah's Casino Hotel, Las Vegas, and regularly shuttle prospective owners targeted by such sales centers to and from our nearby resort property.

Other marketing alliances provide us with the opportunity to align our marketing and sales programs with well-known lifestyle brands that appeal to consumers with similar demographics to our current purchasers. One such example is our alliance with Margaritaville, a lifestyle brand popularized by musician/entertainer Jimmy Buffett, where we market to patrons of various Margaritaville product lines via multiple channels, including on-site marketing at Margaritaville restaurants, affiliated venues and events, as well as co-branded vacation ownership offerings.

We offer a variety of entry-level programs and products as part of our sales strategy. For example, we have a program that allows prospective owners a one-time allotment of points or credits with no further obligations, which we refer to as our sampler program, and a biennial product that provides for vacations every other year. As part of our sales strategies, we rely on our points/credits-based programs, which provide prospective owners with the flexibility to buy relatively small packages of points or credits which can then be upgraded at a later date. To facilitate upgrade sales among existing owners, we market opportunities for owners to purchase additional points or credits through periodic marketing campaigns and promotions while those owners vacation at our properties.

Purchaser Financing

We offer financing to purchasers of VOIs which attracts additional customers and generates substantial incremental revenues and profits. We fund and service loans through our wholly-owned consumer financing subsidiary, Wyndham Consumer Finance. Wyndham Consumer Finance performs loan financing, servicing and related administrative functions.

We typically perform a credit investigation or other inquiry into every purchaser's credit history before offering to finance a portion of the purchase price of the VOI. The interest rate offered to participating purchasers is determined by an automated underwriting process based upon the purchaser's credit score, and the amount of the down payment. We use a consumer credit score, Fair Isaac Corporation ("FICO"), which is a branded version of a consumer credit score widely used within the U.S. by the largest banks and lending institutions. FICO scores range from 300 to 850 and are calculated based on information obtained from one or more of the three major U.S. credit reporting agencies that compile and report on a consumer's credit history. For purchasers with large loan balances, we maintain higher credit standards for new loan originations. Our weighted average FICO score on new originations was 727, 726 and 727 for 2018, 2017 and 2016, respectively.

During 2018, we generated $1.5 billion of new receivables on $2.2 billion of gross vacation ownership sales, net of Fee-for-Service sales, resulting in 68% of our vacation ownership sales being financed. This level of financing is prior to the receipt of addenda cash. Addenda cash represents the cash received for full payment of a loan within 15 to 60 days of origination. After the application of addenda cash, we financed approximately 59% of vacation ownership sales during 2018.

We generally require a minimum down payment of 10% of the purchase price on all sales of VOIs and offer consumer financing for the remaining balance for up to 10 years. While the minimum down payment is generally 10%, our average down payment on financed sales of VOIs was 22% and 24% during 2018 and 2017, respectively. The decrease in the average down payment in 2018 is attributable to lower down payment requirements to support our strategy to grow new members. These loans are structured with equal monthly installments that fully amortize the principal by the final due date.

Similar to many other companies that provide consumer financing, we have historically securitized a majority of the receivables originated in connection with the sales of VOIs. We initially place the financed contracts into a revolving warehouse securitization facility, generally within 30 to 90 days after origination. Many of the receivables are subsequently transferred from the warehouse securitization facility and placed into term securitization facilities.

Our consumer financing subsidiary is responsible for the maintenance of contract receivables files as well as all customer service, billing and collection activities related to the domestic loans we extend. We assess the performance of our loan portfolio by monitoring numerous metrics including collection rates, defaults by state of residency and bankruptcies. Our consumer financing subsidiary also manages the selection and processing of loans pledged or to be pledged in our warehouse and term securitization facilities. As of December 31, 2018, 95% of our loan portfolio was current (not more than 30 days past due).

Property Management

On behalf of each of the property owners' associations, we or our affiliates generally provide day-to-day management for vacation ownership resorts, which includes oversight of housekeeping services, maintenance and refurbishment of the units, and provide certain accounting and administrative services to property owners' associations. The terms of the property management agreements are generally between three to five years; however, the vast majority of the agreements provide a mechanism for automatic renewal upon expiration of the terms. In connection with these property management services, we

receive fees which are generally based upon total costs to operate such resorts. Fees for property management services typically approximate 10% of budgeted operating expenses. As the owner of unsold VOIs, we pay maintenance fees in accordance with the legal requirements of the jurisdictions in which the resorts are located. In addition, at certain newly-developed resorts, we sometimes enter into subsidy agreements with the property owners' associations to cover costs that otherwise would be covered by annual maintenance fees payable with respect to VOIs that have not yet been sold.

Inventory Sourcing

We sell inventory sourced primarily through five channels:

- self-developed inventory,
- Just-in-Time inventory,
- Fee-for-Service,
- consumer loan defaults, and
- inventory reclaimed from owners' associations or owners.

Self-developed inventory. Under the traditional timeshare industry development model, we develop inventory specifically for our timeshare sales. The process often begins with the purchase of land which we then develop. Depending on the size and complexity of the project, this process can take up to several years; but usually takes less.

Just-in-Time inventory. Our Just-in-Time inventory acquisition model enables us to acquire and own completed units close to the timing of their sale or to acquire completed inventory from a third-party partner based upon a predetermined purchase schedule. This model significantly reduces the period between the deployment of capital to acquire inventory and the subsequent return on investment which occurs at the time of its sale to a timeshare purchaser.

Fee-for-Service. In 2010, we introduced the first of our Fee-for-Service models. This timeshare sourcing model was designed to capitalize upon the large quantities of newly developed, nearly completed or recently finished condominium or hotel inventory in the real estate market without assuming the risk that accompanies property acquisition or new construction. This business model offers turn-key solutions for developers or banks in possession of newly developed inventory, which we sell for a fee through our extensive sales and marketing channels. Fee-for-Service enables us to expand our resort portfolio with little or no capital deployment, while providing additional channels for new owner acquisition and growth for our Fee-for-Service property management business.

Consumer loan defaults. As discussed in the "Purchaser Financing" section, we offer financing to purchasers of VOIs. In the event of a default, we are able to recover the inventory and resell it at full current value. We are responsible for the payment of maintenance fees to the property owners' associations until the product is sold. As of December 31, 2018, Inventory on the Consolidated Balance Sheet included estimated inventory recoveries on loan defaults in the amount of $286 million.

Inventory reclaimed from owners' associations or owners. We have entered into agreements with a majority of the property associations representing our developments where we may acquire properties related to owners who have defaulted on their maintenance fees, provided there is no outstanding debt on such properties. In addition, we frequently work with owners to acquire their properties, provided they have no outstanding debt on such properties, prior to those owners defaulting on their maintenance fees. This provides the owner with a graceful exit from a property that is no longer utilized due to lifestyle changes.

Strategies

Our goal is to strengthen our leadership position in the vacation ownership industry and generate consistent and long-term value for our shareholders. To achieve this goal, we intend to pursue the following strategies:

Use our diverse brands to enter new and underpenetrated geographies and broaden our demographic reach. Our unique mix of brands coupled with our large, global footprint provides us with a strategic advantage when adding new inventory in target markets. We expect to use this advantage to grow our customer base by expanding our product offerings in existing markets and entering new, underpenetrated markets.

In our existing markets, we intend to grow our product offerings by adding new brands, either within an existing resort or at a new development. By having multiple brands within a single location, we are able to offer different products at different price points, thereby increasing our addressable market. For example, in Las Vegas, our second and third brands represent over 40% of our sales. In Nashville, our ability to offer a lifestyle brand, Margaritaville Vacation Club by Wyndham, resulted in our selection as a partner in a new hotel development in the popular "SoBro" district.

The breadth of our offerings also allows us to enter new markets with the appropriate brand and product mix. In our newest timeshare market, Austin, we offer two products, one targeted to new owners and the other targeted to existing owners, which allows us to appeal to a broader audience of customers. Additionally, we use our brand portfolio, combined with our strong sales and marketing platform, to penetrate non-traditional but attractive timeshare markets such as the Wisconsin Dells, where we are the only major hospitality brand.

Increase new owner sales to drive long-term growth. We intend to increase the percentage of our VOI sales from new owners, which will enable us to drive long-term revenue and earnings growth. On average, new owners double their initial VOI purchase within seven years, resulting in predictable, high-margin future revenue streams. We will leverage our industry-leading sales and marketing platform to attract new owners by expanding our call transfer capabilities, leveraging our relationship with Wyndham Hotels, enhancing our marketing alliances, growing our Community Marketing Presence ("CMP") and adding resorts in new markets.

Maximize our relationship with Wyndham Hotels. We have a long-term, exclusive license agreement and marketing arrangements with Wyndham Hotels, the world's largest hotel franchisor with approximately 8,900 affiliated hotels located in 80 countries. Since its redesign in 2015, Wyndham Hotels' loyalty program, Wyndham Rewards, has won more than 70 awards, including "Best Hotel Loyalty Program" from US News & World Report and Most Rewarding Hotel Loyalty Program from IdeaWorks.

We plan to significantly increase this sales channel with initiatives such as enhanced call transfers, online marketing, in-hotel marketing and online rentals of vacation ownership resorts. In addition, Wyndham Rewards redemption options into our resorts provide enhanced tour flow opportunities. Cross-marketing to existing guests of Wyndham Hotels and members of Wyndham Rewards has proven to be more efficient than traditional marketing efforts. Volume per guest ("VPG") on affinity marketing tours is higher than other tours, helping to increase margins on new owner sales. We believe further developing this affinity relationship, which currently represents only a small portion of VOI sales, offers a significant new owner growth opportunity that is more profitable than other new owner marketing channels.

Wyndham Rewards, with approximately 61 million enrolled members, many of whom fit our target new customer demographic, provides us with a substantial customer sourcing opportunity to drive future VOI sales.

Maintain a capital-efficient inventory sourcing strategy to produce attractive returns and cash flow. Wyndham Vacation Ownership pioneered capital-efficient inventory sourcing in 2010. We have a diverse inventory sourcing model, including self-developed inventory, Just-in-Time inventory, Fee-for-Service inventory, and buyback programs that allow us to generate VOI sales. Our capital-efficient inventory sourcing strategy has significantly increased return on invested capital since 2010.

The scale and breadth of our brand and product offerings give us unparalleled access to inventory sources, including innovative capital-efficient opportunities, which gives us the ability to select the most attractive development options.

Seasonality

We rely, in part, upon tour flow to generate sales of VOIs; consequently, sales volume tends to increase in the spring and summer months as a result of greater tour flow from spring and summer travelers. Therefore, revenue from sales of VOIs are generally higher in the third quarter than in other quarters.

Competition

The timeshare industry historically has been and continues to be highly fragmented and competitive. Competitors range from small vacation ownership companies to large branded hotel companies, all operating vacation ownership businesses involved in the development, finance and operation of timeshare properties.

Our vacation ownership business competes with other timeshare developers for sales of VOIs based principally on location, quality of accommodations, price, service levels and amenities, financing terms, quality of service, terms of property use, reservation systems, flexibility for members to exchange into time at other timeshare properties or other travel rewards, including access to hotel loyalty programs, as well as brand name recognition and reputation. We also compete for property acquisitions and partnerships with entities that have similar investment objectives as we do. There is also significant competition for talent at all levels within the industry, in particular for sales and management. Our primary competitors in the timeshare space include Marriott Vacations Worldwide, Hilton Grand Vacations, Disney Vacation Club, Holiday Inn Club Vacations, Bluegreen Vacations and Diamond Resorts International.

In addition, our timeshare business competes with other entities engaged in the leisure and vacation industry, including resorts, hotels, cruises and other accommodation alternatives, such as condominium and single-family home rentals. We also compete with home and apartment sharing services (such as AirBnB and VRBO) that operate websites that market available privately owned residential properties that can be rented on a nightly, weekly or monthly basis. In certain markets, we compete with established independent timeshare operators, and it is possible that other potential competitors may develop properties near our current resort locations. In addition, we face competition from other timeshare management companies in the management of resorts on behalf of owners on the basis of quality, cost, types of services offered and relationship.

The timeshare industry has experienced significant consolidation, which may increase competition. Additionally, competition in the vacation ownership industry may increase as private competitors become publicly traded companies or existing publicly traded competitors spin-off their vacation ownership operations, increasing the number of competitors in a highly fragmented industry.

For example, in September 2018, Marriot Vacations Worldwide acquired Interval Leisure Group, Inc., which operates the Interval International exchange program. Prior to that acquisition, Interval Leisure Group, Inc. had acquired Hyatt Residence Club in October 2014 and in May 2016 acquired the timeshare operations of Starwood Hotels & Resorts Worldwide, Inc. (which includes the use of Westin and Sheraton brands for timeshare purposes), known as Vistana Signature Experiences, Inc. Diamond Resorts International, Inc. completed the acquisition of the timeshare business of Gold Key Resorts in October 2015 and completed the acquisition of the timeshare business of Intrawest Resort Club Group in January 2016.

In January 2017, Hilton Worldwide Holdings Inc. completed the spin-off of its vacation ownership operations and Hilton Grand Vacations Inc. is now a separate publicly traded company. In November 2017, Bluegreen Vacations Corporation completed an initial public offering that resulted in approximately 10 percent of its stock being held by the public. Competitors that are publicly traded companies may benefit from a lower cost of, and greater access to, capital, as well as more focused management attention.

Consolidation may create competitors that enjoy significant advantages resulting from, among other things, a lower cost of, and greater access to, capital and enhanced operating efficiencies.

We generally do not face competition in our consumer financing business to finance sales of our VOIs. We do face competition from financial institutions providing other forms of consumer credit, which may lead to full or partial prepayment of our timeshare financing receivables.

EXCHANGE & RENTALS

Industry

A large segment of leisure travel is delivered through non-hotel accommodations that include vacation exchange and vacation rentals. These non-hotel accommodations provide leisure travelers access to a wide variety of leisure options that include vacation ownership resorts, privately-owned vacation homes, apartments and condominiums.

Vacation exchange is a fee-for-service industry that offers services and products primarily to timeshare developers and owners. To participate in a vacation exchange, generally a timeshare owner deposits their interval from a resort or points from their club or resort into a vacation exchange company's network and receives the opportunity to use another owner's interval at a different destination. The vacation exchange company assigns a value to the owner's deposit based upon a number of factors, including supply and demand for the destination, size of the timeshare unit, dates of the interval and the amenities at the resort. Vacation exchange companies generally derive revenues by charging fees for facilitating vacation exchanges and through annual membership dues.

Vacation ownership clubs, such as Club Wyndham Plus, WorldMark by Wyndham, Hilton Grand Vacations and Disney Vacation Club, give members the option to exchange both internally, within their collection of resorts, or externally through vacation exchange networks such as RCI. These types of clubs have been the largest driver of vacation ownership industry growth over the past several years. This long-term trend has a positive impact on the average number of members, but a negative effect on the number of vacation exchange transactions per member and revenue per member as members exchange more often within their club.

Exchange & Rentals Overview

We operate the world's largest vacation exchange network based on the number of members and are a leading provider of professionally managed vacation rentals in North America. Our mission is to send people on the vacation of their dreams and, during 2018, we sent approximately 7 million people to their desired destinations. Through our industry-leading tools, expertise and brands, we create connections between suppliers and guests to maximize supplier utilization and guest

experience. We are largely a fee-for-service business with strong and predictable cash flows.

Our programs serve a member base of timeshare, fractional and whole-unit owners who want flexibility and variety in their travel plans each year. Through our collection of vacation exchange brands, we have approximately 3.8 million member families. We generally retain over 85% of our RCI members each year. In the vast majority of cases, we acquire new members when an affiliated timeshare developer pays for the initial term of a membership on behalf of a timeshare owner as part of the vacation ownership purchase process. Generally, this initial membership is for either a one or two year term, after which these new members may choose to renew directly with us. We also acquire a small percentage of new members directly from online channels. Club and corporate members receive the benefit of our vacation exchange program as part of their ownership with enrollment and renewals paid for by the developer. Members receive periodicals published by us and, for additional fees, use the applicable vacation exchange program and other services that provide members the ability to protect trading power or points, extend the life of a deposit, combine two or more deposits for the opportunity to exchange into intervals with higher trading power and book travel services.

Our vacation exchange business has relationships with over 4,300 vacation ownership resorts in approximatelyl 10 countries and territories located in North America, Latin America, Caribbean, Europe, Middle East, Africa and Asia Pacific. We tailor our strategies and operating plans for each region where we have, or seek to develop, a substantial member base.

Revenues and Operating Statistics

Our vacation exchange business derives the majority of its revenues from annual membership dues and fees for facilitating vacation exchanges and rentals. We also generate revenue from: (i) additional services, programs with affiliated resorts, club servicing and loyalty programs and (ii) additional products that provide members the ability to protect trading power or points, extend the life of deposits, and combine two or more deposits for the opportunity to exchange into intervals with higher trading power. No one customer, developer or group accounts for more than 10% of our revenues.

Performance in our vacation exchange business is measured by the following key operating statistics:

- Average number of members - Represents members in our vacation exchange programs who paid annual membership dues as of the end of the period or within the allowed grace period.
- Exchange revenue per member - Represents total annualized revenues generated from fees associated with memberships, exchange transactions, member-related rentals and other servicing for the period divided by the average number of vacation exchange members during the period.

We also derive revenues from our North American vacation rentals business from (i) commissions earned on the rental of vacation rental properties on behalf of independent owners and (ii) additional property management services delivered to property owners, vacation rental guests and homeowners' associations. During 2018, the Company decided to explore strategic alternatives for its North American vacation rentals business and during the fourth quarter commenced activities to facilitate the sale of this business. The assets and liabilities of this business have been classified as held-for-sale as of December 31, 2018. This business does not meet the criteria to be classified as a discontinued operation; therefore, the results were reflected within continuing operations on the Consolidated Statements of Income. For further details see Note 7—*Held-for-Sale Business* to the Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K.

Our Exchange and Rentals Brands

We operate under the following brands:

RCI. Founded in 1974, RCI operates the world's largest vacation ownership weeks-based vacation exchange network, RCI Weeks, and provides members with the ability to exchange week-long intervals in units at their home resort for intervals at comparable resorts. RCI also operates the world's largest vacation ownership points-based vacation exchange network, RCI Points. This program allocates points to use rights that members cede to the vacation exchange program. Members may redeem their points for the use of vacation properties for the duration they choose in our vacation exchange program or for discounts on other services and products which may change from time to time, such as airfare, car rentals, cruises, hotels and other accommodations. RCI also offers enhanced membership tiers (Gold and Platinum), which provide additional benefits to members.

The Registry Collection. Established in 2002, The Registry Collection vacation exchange program is the industry's largest and first global vacation exchange network of luxury vacation accommodations. The luxury vacation accommodations in our network include fractional ownership resorts, higher-end vacation ownership resorts, condo-hotels and yachts. The Registry Collection program allows members to exchange their intervals for the use of other luxury vacation properties within the

network for a fee and also offers access to other services and products at member preferred rates, such as cruises, yachts, adventure travel, hotels and other accommodations.

DAE. Founded in 1997, DAE is a leading direct-to-consumer model of vacation exchange with global operations. This member-direct vacation exchange program is open to all timeshare owners, regardless of the resort where they own. DAE offers weeks, points and club owners a simple exchange system with modest support services so they can enjoy resort style accommodations around the world.

Love Home Swap. Founded in 2011, Love Home Swap provides homeowners two ways to turn their home into vacation opportunities. Members have the option to: (i) swap time at their home directly with another member for time at their property or (ii) swap time at their home for points, which can be used at a later date to secure a stay at another member's home. Love Home Swap has developed a sizeable footprint in the United Kingdom and other parts of Europe and has begun to establish a presence in the U.S. and Australia.

Wyndham Vacation Rentals. Wyndham Vacation Rentals offers North America-based rental properties in over 50 beach, ski, mountain, theme park, golf and tennis destinations such as Florida, South Carolina, Colorado, Delaware, North Carolina, Alabama, Tennessee, Utah, California and British Columbia. It has more than 35 years of industry experience providing vacation rentals to travelers through recognized and established brands such as ResortQuest, Steamboat Resorts and Smoky Mountain Property Management. Wyndham Vacation Rentals is part of our North American Vacation Rentals business which has been classified as held-for-sale as of December 31, 2018.

Inventory

The properties our business makes available to travelers include vacation ownership condominiums, fractional resorts, homes, yachts, private residence clubs and traditional hotel rooms. We offer travelers flexibility as to time of travel and a choice of lodging options. This flexibility also helps our affiliated resorts as it provides additional benefits to the vacation ownership product. We offer property owners marketing, booking, property management and quality control services.

We leverage inventory comprising of VOIs and independently owned properties across our network of brands to maximize value for affiliates, vacation exchange members, vacation rental property owners and guests. We also leverage our scale and global marketing expertise to enhance demand and drive occupancy across our network of destinations, including the ability to source vacation rental inventory for vacation exchange members.

We also provide industry-leading technology and revenue management expertise to optimize our network of destination inventory through automated tools and sophisticated yield management techniques and to provide inventory distribution to our network of affiliated resorts. Additionally, we have adapted our yield management technology to introduce a new vacation rental property recruiting tool and have implemented the tool throughout our North American vacation rental operations.

Customer Development

We affiliate with vacation ownership developers directly through our in-house sales teams. Affiliated developers sign agreements that have an average duration of approximately five years. Our members are acquired primarily through our affiliated developers as part of the vacation ownership purchase process. We also acquire a small percentage of our members directly from online channels.

At our vacation rental brands, we primarily enter into exclusive annual rental agreements with property owners. We market these rental properties online and offline to large databases of customers. Additional customers are sourced through transactional websites and offline advertising and promotions, and through the use of third-party travel agencies, tour operators and online distribution channels to drive additional occupancy. We have a number of specific branded websites to promote, sell and inform new customers about vacation rentals.

Loyalty Program

RCI's loyalty program, RCI Elite Rewards, offers a co-branded credit card to our members. The card allows members to earn reward points that can be redeemed for items related to our RCI vacation exchange programs, including annual membership dues, exchange fees for transactions, and other services and products offered by RCI or certain third parties, including airlines and retailers.

Our vacation rental brands also participate in the industry's leading loyalty program, Wyndham Rewards. During 2018, we made approximately 6,300 vacation rental properties available for redemption through Wyndham Rewards and will continue

incorporating properties into the program in the years to come. We expect Wyndham Rewards to increase awareness of our vacation rental brands and drive incremental revenue.

Distribution

We distribute our products and services through proprietary websites and call centers around the world. We invest in new technologies and online capabilities to ensure that our customers have the best experience and access to consistent information and services across digital and call center channels. We continue to enhance our digital channels, mobile capabilities and e-commerce platforms across our network.

Important technology enhancements include streamlined search and transaction journeys, improved help and mobile functionality, more robust redesigned website content, and personalized content and offers for our customers. Recognizing that today's on-the-go customer relies on mobile devices more frequently than ever before, we are further investing in our mobile apps and mobile browsers based on the latest technologies coupled with a more nuanced understanding of customer behavior. We have incorporated new tools and responsive designs that take advantage of the portability and variability of mobile devices, allowing customers to research and plan activities, going beyond the travel booking transaction alone.

Part of our vacation rental strategy has been to enhance and expand our online distribution channels, including global partnerships with several industry-leading online travel and vacation rental portals in order to streamline inventory connectivity and guest experience. This will continue to accelerate revenue growth and allow for more business on the web instead of through our call centers, thus generating cost savings for us.

The requests we receive at our global call centers are handled by our vacation guides, who are trained to fulfill requests for vacation exchange and rentals. Call centers remain an important distribution channel for us and therefore we continue to invest resources to ensure that members and rental customers receive a high level of personalized customer service. Through our call centers, we also provide private-labeled reservation booking, customer care and other services for our RCI affiliates.

Marketing

We market our services and products to our customers using our five primary consumer brands and other related brands in more than 130 offices worldwide through several marketing channels including direct mail, email, social media, telemarketing, online distribution channels, brochures and magazines. Our core marketing strategy is to personalize and customize our marketing to best match customer preferences. We have a comprehensive social and mobile media platform including apps for smartphones and tablets, Facebook and Pinterest fan pages, several Twitter and Instagram accounts and YouTube channels, online video content and various online magazines. We use our resort directories and periodicals related to the vacation industry for marketing as well as for member retention and loyalty. Additionally, we promote our offerings to owners of resorts and vacation homes through trade shows, online and other marketing channels that include direct mail and telemarketing.

Strategies

Our strategy is to re-ignite the RCI exchange brand to continue our growth and take advantage of untapped market demand. We will leverage RCI's legacy of innovation, technology and analytics expertise to achieve our goals. We intend to pursue the following key strategic initiatives:

Identify new capital-efficient sources of supply to increase vacation opportunities for our customers

We plan to leverage our scale and robust industry relationships to secure new sources of supply with favorable pricing in order to enhance our exchange inventory profile. We have identified customer demand for destinations where we have limited point-in-time supply availability and demand for vacation opportunities available for confirmation closer to the vacation start date.

Offer new and innovative products to further enhance the membership experience and reach new customer bases

We plan to continue our history of innovation by offering more ways for customers to use their timeshare ownership to travel and vacation. Our goal is to make it easier for members to deposit future year VOIs into our exchange programs and allow members to use their vacation ownership toward discounts on other vacation-related opportunities. In addition, RCI will leverage our exchange platform and expertise to expand into new membership models and offerings, expanding our member base and demographic reach. We will also continue to enhance and grow DAE and Love Home Swap towards this end.

Develop new solutions in partnership with our Club affiliates to increase overall engagement with the Club member population

While Club owners have been the largest growing segment of our member base, Club revenue per member is lower than our overall average due to a wide array of vacation options within the Clubs causing a reduced propensity for Club owners to

interact with our external exchange networks. We see opportunity to improve this propensity by working more closely with our Club affiliate partners to drive additional value proposition in their owner base. We can achieve this by providing innovative new product offerings and time flexibility to help these owners avoid expiration of their Club currency by depositing into our exchange programs.

Grow market share through focus on geographic expansion and deeper penetration in existing markets

We will continue to leverage our best-in-class business development team to identify affiliation growth opportunities in our core markets, while investing in growth in our Latin America and Asia markets.

Seasonality

Our revenues from vacation exchange fees have traditionally been higher in the first quarter, which is generally when our vacation exchange members plan and book their vacations for the year. Revenues from vacation rentals have traditionally been highest in the third quarter, when vacation arrivals are highest.

Competition

Exchange & Rentals competes globally with other vacation exchange companies, most notably Interval International, and certain developers and clubs that offer vacation exchange through their own internal networks of properties. Our vacation exchange business also competes with third-party internet travel intermediaries and peer-to-peer online networks that are used by consumers to search for and book their resort and other travel accommodations. Our vacation rental brands face competition from a broad variety of professional vacation rental managers, most of which are small regional operators and individual property owners who pursue the rent-by-owner model, collectively using brokerage services, direct marketing and the internet to market and rent their vacation properties.

INTELLECTUAL PROPERTY

Our business is affected by our ability to protect against infringement of our intellectual property, including our trademarks, service marks, logos, trade names, domain names and other proprietary rights. The foregoing segment descriptions specify the brands that are used by each of our segments. Our subsidiaries actively use or license for use all significant marks and domain names, and we own or have exclusive licenses to use these marks and domain names. In connection with the Spin-off, we entered into a license, development and noncompetition agreement with Wyndham Hotels, which, among other things, granted to Wyndham Destinations the right to use the "Wyndham" trademark, "The Registry Collection" and certain other trademarks and intellectual property in our business. See "Key Agreements Related to the Spin-Off—License, Development and Noncompetition Agreement" for more information. We register the marks that we own in the U.S. Patent and Trademark Office, as well as with other relevant authorities where we deem appropriate, and seek to protect our marks from unauthorized use as permitted by law.

GOVERNMENT REGULATION

Our business is subject to various international, national, federal, state and local laws, regulations and policies in jurisdictions in which we operate. Some laws, regulations and policies impact multiple areas of our business, such as securities, anti-discrimination, anti-fraud, data protection and security and anti-corruption and bribery laws and regulations or government economic sanctions, including applicable regulations under the U.S. Treasury's Office of Foreign Asset Control and the U.S. Foreign Corrupt Practices Act ("FCPA"). The FCPA and similar anti-corruption and bribery laws in other jurisdictions generally prohibit companies and their intermediaries from making improper payments to government officials for the purpose of obtaining or generating business. Other laws, regulations and policies primarily affect one of our areas of business: inventory sourcing activities; sales and marketing activities; purchaser financing activities; and property management activities.

Inventory Sourcing Regulation

Our inventory sourcing activities are regulated under a number of different timeshare, condominium and land sales disclosure statutes in many jurisdictions. We are generally subject to laws and regulations typically applicable to real estate development, subdivision and construction activities, such as laws relating to zoning, land use restrictions, environmental regulation, accessibility, title transfers, title insurance and taxation. In the United States, these include the Fair Housing Act and the Americans with Disabilities Act of 1990 and the Accessibility Guidelines promulgated thereunder, which we refer to collectively as (the "ADA"). In addition, we are subject to laws in some jurisdictions that impose liability on property developers for construction defects discovered or repairs made by future owners of property developed by the developer.

Sales and Marketing Regulation

Our sales and marketing activities are highly regulated. In addition to regulations implementing laws enacted specifically for the timeshare industry, a wide variety of laws and regulations govern our sales and marketing activities, including regulations implementing the USA PATRIOT Act, Foreign Investment In Real Property Tax Act, the Federal Interstate Land Sales Full Disclosure Act and fair housing statutes, U.S. Federal Trade Commission ("FTC") and state "Little FTC Act" and other regulations governing unfair, deceptive or abusive acts or practices including unfair or deceptive trade practices and unfair competition, state attorney general regulations, anti-fraud laws, prize, gift and sweepstakes laws, real estate, title agency or insurance and other licensing or registration laws and regulations, anti-money laundering, consumer information privacy and security, breach notification, information sharing and telemarketing laws, home solicitation sales laws, tour operator laws, lodging certificate and seller of travel laws, securities laws, and other consumer protection laws.

We must obtain the approval of numerous governmental authorities for our sales and marketing activities. Changes in circumstances or applicable law may necessitate the application for or modification of existing approvals. In addition, many jurisdictions, including many jurisdictions in the United States, require that we file detailed registration or offering statements with regulatory authorities disclosing information regarding our VOIs, such as information concerning the intervals being offered, the project, resort or program to which the intervals relate, applicable timeshare plans, evidence of title, details regarding our business, the purchaser's rights and obligations with respect to such intervals, and a description of the manner in which we intend to offer and advertise such intervals.

When we sell VOIs, local law grants the purchaser of a VOI the right to cancel a purchase contract during a specified rescission period following the later of the date the contract was signed or the date the purchaser received the last of the documents required to be provided by us.

In recent years, regulators in many jurisdictions have increased regulations and enforcement actions related to telemarketing operations, including requiring adherence to the federal Telephone Consumer Protection Act and "do not call" legislation. These measures have significantly increased the costs associated with telemarketing, in particular with respect to telemarketing to mobile numbers. While we continue to be subject to telemarketing risks and potential liability, we believe that our exposure to adverse effects from telemarketing legislation and enforcement is mitigated in some instances by the use of permission-based marketing in which we obtain permission to contact prospective purchasers in the future. We have also implemented procedures to comply with federal and state "do not call" regulations including subscribing to the federal do not call registry and certain state "do not call" registries as well as maintaining an internal "do not call" list.

Purchaser Financing Regulation

Our purchaser financing activities are subject to a number of laws and regulations including those of applicable supervisory agencies such as, in the United States, the Consumer Financial Protection Bureau, the FTC, and the Financial Crimes Enforcement Network. These laws and regulations, some of which contain exceptions applicable to the timeshare industry, may include, among others, the Real Estate Settlement Procedures Act and Regulation X, the Truth In Lending Act and Regulation Z, the Federal Trade Commission Act, the Equal Credit Opportunity Act and Regulation B, the Fair Credit Reporting Act, the Fair Housing Act and implementing regulations, the Fair Debt Collection Practices Act, the Electronic Funds Transfer Act and Regulation E, unfair, deceptive or abusive acts or practices regulations and the Credit Practices rules, the USA PATRIOT Act, the Right to Financial Privacy Act, the Gramm-Leach-Bliley Act, the Servicemember's Civil Relief Act and the Bank Secrecy Act. Our purchaser financing activities are also subject to the laws and regulations of other jurisdictions, including, among others, laws and regulations related to consumer loans, retail installment contracts, mortgage lending, fair debt collection and credit reporting practices, consumer debt collection practices, mortgage disclosure, lender or mortgage loan originator licensing and registration and anti-money laundering.

Property Management Regulation

Our property management activities are subject to laws and regulations regarding community association management, public lodging, food and beverage services, liquor licensing, labor, employment, health care, health and safety, accessibility, discrimination, immigration, gaming and the environment (including climate change). In addition, many jurisdictions in which we manage our resorts have statutory provisions that limit the duration of the initial and renewal terms of our management agreements for property owners' associations.

EMPLOYEES

As of December 31, 2018, we had approximately 24,500 employees, including over 4,300 employees outside of the U.S. The Vacation Ownership business had over 18,800 employees, Exchange & Rentals over 5,400 employees, and our corporate group

had approximately 300 employees. Approximately 1% of our employees are subject to collective bargaining agreements governing their employment with our company.

ENVIRONMENTAL COMPLIANCE

Our compliance with federal, state and local laws and regulations relating to environmental protection and discharge of hazardous materials has not had a material impact on our capital expenditures, earnings or competitive position, and we do not anticipate any material impact from such compliance in the future.

SOCIAL RESPONSIBILITY

Wyndham Destinations is committed to delivering shareholder and stakeholder value through our Social Responsibility program, which remains an integral part of our company culture and global business operations. We strive to cultivate an inclusive environment, in which our associates, customers, suppliers and communities feel appreciated, respected and valued. In 2018, the Company continued to strengthen our impact across our five core areas of Social Responsibility: Environmental Sustainability, Inclusion & Diversity, Philanthropy, Ethics and Human Rights.

We are committed to remaining a leader of sustainable business practices and we continue to work toward meeting all social responsibility regulations in which we conduct business. Our goal for 2025 is to reduce our carbon emissions by 40% and water consumption by 25% at our owned, managed and leased assets (based on square foot intensity) compared to our 2010 baseline. We have reduced carbon emissions intensity by 31% and water usage intensity by 22%, to our baseline, while increasing our overall portfolio square footage by 15%. Our goals will be achieved through innovative programs and the implementation of efficiency projects to reduce our carbon footprint. Progress towards our goals will be measured through our environmental data tracking tool. We recently exceeded our goal to plant one million trees through the Arbor Day Foundation, which has helped us to improve our biodiversity footprint. We continue to work with the Arbor Day foundation planting on average 200,000 trees per year and sourcing carbon neutral coffee.

KEY AGREEMENTS RELATED TO THE SPIN-OFF

This section summarizes the material agreements between us and Wyndham Hotels that govern the ongoing relationships between the two companies after the Spin-off. Additional or modified agreements, arrangements and transactions, which would be negotiated at arm's length, may be entered into between us and Wyndham Hotels in the future. These summaries are qualified in their entirety by reference to the full text of the applicable agreements, which are filed as exhibits hereto.

As of May 31, 2018 when the Spin-off was completed, we and Wyndham Hotels operate independently, and neither company has any ownership interest in the other. Before the Spin-off, we entered into a Separation and Distribution Agreement and several other agreements with Wyndham Hotels related to the Spin-off. These agreements govern the relationship between us and Wyndham Hotels following completion of the Spin-off and provide for the allocation between us and Wyndham Hotels of various assets, liabilities, rights and obligations. The following is a summary of the terms of the material agreements we entered into with Wyndham Hotels. The following summaries do not purport to be complete and are qualified in their entirety by reference to the full text of each agreement, which is incorporated by reference into this Annual Report on Form 10-K as Exhibits 2.5, 10.46, 10.72, 10.73 and 10.74.

Separation and Distribution Agreement

The Company entered into a Separation and Distribution Agreement with Wyndham Hotels regarding the principal actions taken or to be taken in connection with the Spin-off. The Separation and Distribution Agreement provides for the allocation of assets and liabilities between Wyndham Destinations and Wyndham Hotels and establishes certain rights and obligations between the parties following the Distribution.

Transfer of Assets and Assumption of Liabilities. The Separation and Distribution Agreement provides for those transfers of assets and assumptions of liabilities that are necessary in connection with the Spin-off so that each of Wyndham Destinations and Wyndham Hotels is allocated the assets necessary to operate its respective business and retains or assumes the liabilities allocated to it in accordance with the separation plan. The Separation and Distribution Agreement also provides for the settlement or extinguishment of certain liabilities and other obligations among Wyndham Destinations and Wyndham Hotels. In particular, the Separation and Distribution Agreement provides that, subject to certain terms and conditions:

- The assets that have been retained by or transferred to Wyndham Hotels ("SpinCo assets") include, but are not limited to:
    - all of the equity interests of Wyndham Hotels;

  - any and all assets reflected on the audited combined balance sheet of the Wyndham Hotels & Resorts businesses;
  - any and all contracts primarily relating to the Wyndham Hotels & Resorts businesses; and
  - all rights in the "Wyndham" trademark and "The Registry Collection" trademark, and certain intellectual property related thereto.

- The liabilities that have been retained by or transferred to Wyndham Hotels ("SpinCo liabilities") include, but are not limited to:
  - any and all liabilities (whether accrued, contingent or otherwise, and subject to certain exceptions) to the extent primarily related to, arising out of or resulting from (a) the operation or conduct of the Wyndham Hotels & Resorts businesses or (b) the SpinCo assets;
  - any and all liabilities (whether accrued, contingent or otherwise) relating to, arising out of or resulting from any form, registration statement, schedule or similar disclosure document filed or furnished with the Commission, to the extent such filing is either made by Wyndham Hotels or made by the Company in connection with the Spin-off, subject to each party's indemnification obligations under the Separation and Distribution Agreement with respect to any misstatement of or omission to state a material fact contained in any such filing to the extent the misstatement or omission is based upon information that was furnished by such party;
  - any and all liabilities relating to, arising out of, or resulting from any indebtedness of Wyndham Hotels or any indebtedness secured exclusively by any of the Wyndham Hotels assets; and
  - any and all liabilities (whether accrued, contingent or otherwise) reflected on the audited combined balance sheet of the Wyndham Hotels & Resorts businesses.
- Wyndham Hotels assumes one-third and Wyndham Destinations assumes two-thirds of certain contingent and other corporate liabilities of the Company ("shared contingent liabilities") in each case incurred prior to the Distribution, including liabilities of the Company related to, arising out of or resulting from (i) certain terminated or divested businesses, (ii) certain general corporate matters of the Company and (iii) any actions with respect to the separation plan or the Distribution made or brought by any third party;
- Wyndham Hotels is entitled to receive one-third and Wyndham Destinations is entitled to receive two-thirds of the proceeds (or, in certain cases, a portion thereof) from certain contingent and other corporate assets of the Company ("shared contingent assets") arising or accrued prior to the Distribution, including assets of the Company related to, arising from or involving (i) certain terminated or divested businesses and (ii) certain general corporate matters of the Company;
- In connection with the sale of the Company's European vacation rentals business, Wyndham Hotels will assume one-third and Wyndham Destinations will assume two-thirds of certain shared contingent liabilities and certain shared contingent assets. Such shared contingent assets and shared contingent liabilities will include: (a) any amounts paid or received by Wyndham Destinations in respect of any indemnification claims made in connection with such sale, (b) any losses actually incurred by Wyndham Destinations or Wyndham Hotels in connection with its provision of post-closing credit support to the European vacation rentals business, in the form of an unsecured guarantee, letter of credit or otherwise, in a fixed amount to be determined, to ensure that the European vacation rentals business meets the requirements of certain service providers and regulatory authorities, and (c) any tax assets or liabilities related to such sale;
- Except as otherwise provided in the Separation and Distribution Agreement or any ancillary agreement, the corporate costs and expenses relating to the Spin-off will first be paid by the party such costs were incurred by, from a separate account maintained by each of Wyndham Hotels and Wyndham Destinations and established prior to completion of the Spin-off on terms agreed upon by Wyndham Hotels and Wyndham Destinations and, to the extent the funds in such separate account are not sufficient to satisfy such costs and expenses, be treated as shared contingent liabilities (as described above); and
- All assets and liabilities of the Company (whether accrued, contingent or otherwise) other than the SpinCo assets and SpinCo liabilities, subject to certain exceptions (including the shared contingent assets and shared contingent liabilities), have been retained by or transferred to Wyndham Destinations, except as set forth in the Separation and Distribution Agreement or one of the other agreements described below.

The allocation of liabilities with respect to taxes, except for payroll taxes and reporting and other tax matters expressly covered by the Employee Matters Agreement or the Separation and Distribution Agreement, are solely covered by the Tax Matters Agreement.

Net Proceeds Adjustment. Prior to the Distribution, Wyndham Hotels and the Company agreed on a target amount for the net proceeds to be received by the Company in connection with the sale of the Company's European vacation rentals business. Following the Distribution, Wyndham Destinations will prepare, and agree with Wyndham Hotels on, a statement setting forth the actual amount of net proceeds received by the Company in connection with such sale, including pursuant to any post-closing purchase price adjustments. If the amount of actual net proceeds is greater than the target net proceeds amount, such excess will be a shared contingent asset; if it is less than the target net proceeds amount, such deficit will be a shared contingent liability.

Net Indebtedness Adjustment. Prior to the Distribution, the Company and Wyndham Hotels agreed on a target amount of indebtedness (net of cash) for Wyndham Hotels as of the Distribution. Following the Distribution, Wyndham Hotels will prepare, and agree with Wyndham Destinations on, a statement setting forth the actual amount of net indebtedness of Wyndham Hotels as of the close of business on the Distribution Date (as defined below). If the actual amount of net indebtedness as of the close of business on the Distribution Date is greater than the target net indebtedness amount, Wyndham Destinations will pay the difference to Wyndham Hotels; if it is less than the target net indebtedness amount, Wyndham Hotels will pay the difference to Wyndham Destinations.

Cash Balances. In connection with the transfer from the Company to Wyndham Hotels of certain liabilities as part of the internal reorganization, the Company transferred an agreed upon amount of cash to Wyndham Hotels. Also prior to the completion of the Spin-off, Wyndham Hotels distributed or otherwise transferred to a bank account of the Company the amount of cash and cash equivalents in excess of the sum of (i) such amount of transferred cash, plus (ii) an amount of cash necessary to adequately capitalize Wyndham Hotels following the Spin-off, (iii) plus the amount of cash being maintained by Wyndham Hotels in a separate account to pay corporate costs and expenses relating to the Spin-off (as described above), plus the amount of certain cash proceeds from Wyndham Hotels' offering of its 5.375% Notes due 2026 and the borrowings under Wyndham Hotels' new senior secured credit facilities. Such distributed cash constitutes "boot" that is subject to the applicable requirements set forth in the Separation and Distribution Agreement. Amounts payable between the Company and Wyndham Hotels that are described in this paragraph may be netted and offset pursuant to the Separation and Distribution Agreement.

Further Assurances. To the extent that any transfers of assets or assumptions of liabilities contemplated by the Separation and Distribution Agreement have not been consummated, the parties have agreed to cooperate with each other and use commercially reasonable efforts to effect such transfers or assumptions as promptly as practicable. In addition, each of the parties has agreed to cooperate with each other and use commercially reasonable efforts to take or to cause to be taken all actions, and to do, or to cause to be done, all things reasonably necessary under applicable law or contractual obligations to consummate and make effective the transactions contemplated by the Separation and Distribution Agreement and the ancillary agreements.

Representations and Warranties. In general, neither the Company nor Wyndham Hotels made any representations or warranties regarding any assets or liabilities transferred or assumed, any consents or approvals that may have been required in connection with such transfers or assumptions, the value or freedom from any lien or other security interest of any assets transferred, the absence of any defenses relating to any claim of either party or the legal sufficiency of any conveyance documents, or any other matters. Except as expressly set forth in the Separation and Distribution Agreement or in any ancillary agreement, all assets have been transferred on an "as is, where is" basis.

The Distribution. The Separation and Distribution Agreement governs certain rights and obligations of the parties regarding the Distribution and certain actions that occurred prior to the Distribution, such as the election of officers and directors and the adoption of Wyndham Hotels' amended and restated certificate of incorporation and amended and restated by-laws. Prior to the Distribution, the Company delivered all the issued and outstanding shares of Wyndham Hotels common stock to the distribution agent. Following the Distribution Date, the distribution agent will electronically deliver the shares of Wyndham Hotels common stock to the Company's stockholders based on each holder of Company common stock receiving one share of Wyndham Hotels common stock for each share of Company common stock held as of May 18, 2018.

Intercompany Accounts. The Separation and Distribution Agreement provides that, subject to any provisions in the Separation and Distribution Agreement or any ancillary agreement to the contrary, prior to the Distribution, intercompany accounts were settled as set forth in the Separation and Distribution Agreement.

Release of Claims and Indemnification. Wyndham Destinations and Wyndham Hotels have agreed to broad releases pursuant to which each releases the other and certain related persons specified in the Separation and Distribution Agreement from any claims against any of them that arise out of or relate to events, circumstances or actions occurring or failing to occur or alleged

to occur or to have failed to occur or any conditions existing or alleged to exist at or prior to the time of the Distribution. These releases are subject to certain exceptions set forth in the Separation and Distribution Agreement and the ancillary agreements.

The Separation and Distribution Agreement provides for cross-indemnities that, except as otherwise provided in the Separation and Distribution Agreement, are principally designed to place financial responsibility for the obligations and liabilities of Wyndham Hotels' business with Wyndham Hotels, and financial responsibility for the obligations and liabilities of Wyndham Destinations' business with Wyndham Destinations. Specifically, each party will, and will cause its subsidiaries to, indemnify, defend and hold harmless the other party, its affiliates and subsidiaries and each of its and their respective officers, directors, employees and agents for any losses arising out of, by reason of or otherwise in connection with:

- the liabilities each such party assumed or retained pursuant to the Separation and Distribution Agreement;
- any misstatement of or omission to state a material fact contained in any party's public filings, only to the extent the misstatement or omission is based upon information that was furnished by the indemnifying party (or incorporated by reference from a filing of such indemnifying party) and then only to the extent the statement or omission was made or occurred after the Spin-off; and
- any breach by such party of the Separation and Distribution Agreement or any ancillary agreement unless such ancillary agreement expressly provides for separate indemnification therein, in which case any such indemnification claims will be made thereunder.

The amount of each party's indemnification obligations are subject to reduction by any insurance proceeds received by the party being indemnified. The Separation and Distribution Agreement also specifies procedures with respect to claims subject to indemnification and related matters. Except in the case of tax assets and liabilities related to the sale of the Company's European vacation rentals business, indemnification with respect to taxes are governed solely by the Tax Matters Agreement.

Insurance. The Separation and Distribution Agreement provides for the allocation among the parties of benefits under existing insurance policies for occurrences prior to the Distribution and sets forth procedures for the administration of insured claims. The Separation and Distribution Agreement allocates among the parties the right to proceeds and the obligation to incur deductibles under certain insurance policies. In addition, the Separation and Distribution Agreement provides that Wyndham Destinations will obtain, subject to the terms of the agreement, certain directors and officers liability insurance policies, fiduciary liability insurance policies and errors and omissions and cyber liability insurance policies to apply against certain pre-separation claims, if any.

Dispute Resolution. In the event of any dispute arising out of the Separation and Distribution Agreement, the general counsels of the parties, and/or such other representatives as the parties designate, will negotiate to resolve any disputes among such parties. If the parties are unable to resolve the dispute in this manner within a specified period of time, as set forth in the Separation and Distribution Agreement, then unless agreed otherwise by the parties, the dispute will be resolved through binding arbitration.

Other Matters Governed by the Separation and Distribution Agreement. Other matters governed by the Separation and Distribution Agreement include access to financial and other information, confidentiality, access to and provision of records and treatment of outstanding guarantees and similar credit support.

Employee Matters Agreement

We have entered into an Employee Matters Agreement with Wyndham Hotels that will govern the respective rights, responsibilities and obligations of Wyndham Hotels and us following the Spin-off. The Employee Matters Agreement addresses the allocation of employees between Wyndham Hotels and us, defined benefit pension plans, qualified defined contribution plans, non-qualified deferred compensation plans, employee health and welfare benefit plans, incentive plans, equity-based awards, collective bargaining agreements and other employment, compensation and benefits-related matters. The Employee Matters Agreement provides for, among other things, the allocation and treatment of assets and liabilities related to incentive plans, retirement plans and employee health and welfare benefit plans in which transferred employees participated prior to the Spin-off. The Employee Matters Agreement also provides for the treatment of Wyndham Destinations' outstanding equity-based awards in connection with the Spin-off. Following the Spin-off, Wyndham Hotels employees no longer participate in Wyndham Destinations' plans or programs (other than continued participation in employee health and welfare benefit plans for a limited period of time following the Spin-off in conjunction with the Transition Services Agreement described below), and Wyndham Hotels will establish plans or programs for their employees as described in the Employee Matters Agreement. Wyndham Hotels will also establish or maintain plans and programs outside of the United States as may be required under applicable law or pursuant to the Employee Matters Agreement.

Tax Matters Agreement

We have entered into a Tax Matters Agreement with Wyndham Hotels that will govern the respective rights, responsibilities and obligations of Wyndham Hotels and us following the Spin-off with respect to tax liabilities and benefits, tax attributes, tax contests and other tax sharing regarding U.S. federal, state, local and foreign income taxes, other tax matters and related tax returns. As a former subsidiary of Wyndham Destinations, Wyndham Hotels has (and will continue to have following the Spin-off) joint and several liability with us to the IRS for the combined U.S. federal income taxes of the Wyndham Destinations consolidated group relating to the taxable periods in which Wyndham Hotels was part of that group. In general, the Tax Matters Agreement specifies that Wyndham Hotels will bear one-third, and Wyndham Destinations two-thirds, of this tax liability, and Wyndham Hotels has agreed to indemnify us against any amounts for which we are not responsible including subject to the next sentence. The Tax Matters Agreement also provides special rules for allocating tax liabilities in the event that the Spin-off is not tax-free. In general, if a party's actions cause the Spin-off not to be tax-free, that party will be responsible for the payment of any resulting tax liabilities (and will indemnify the other party with respect thereto). The Tax Matters Agreement provides for certain covenants that may restrict our ability to pursue strategic or other transactions that otherwise could maximize the value of our business. Although valid as between the parties, the Tax Matters Agreement will not be binding on the IRS.

Transition Services Agreement

We have entered into a Transition Services Agreement with Wyndham Hotels under which Wyndham Hotels will provide us with certain services, and we will provide Wyndham Hotels with certain services, for a limited time to help ensure an orderly transition following the distribution.

The services that Wyndham Hotels has agreed to provide us under the Transition Services Agreement and that we have agreed to provide Wyndham Hotels includes certain finance, information technology, human resources, payroll, tax and other services. We pay Wyndham Hotels for any such services used at agreed amounts as set forth in the Transition Services Agreement. In addition, from time to time during the term of the agreement, we and Wyndham Hotels may mutually agree on additional services to be provided.

The services provided under the Transition Services Agreement are, generally, to be provided for a term of up to 24 months following the distribution. Each party may terminate any transition services upon prior notice to the other party, generally with notice 45 days in advance of the desired termination date, and are generally to be responsible for any costs incurred by the non-terminating party as a result of such termination. Each party also has the right to terminate the agreement if the other party breaches any of its obligations under the agreement, subject to providing notice and opportunity to cure, solely with respect to service or services impacted by the breach.

The transition services are to be provided in a manner, and at a level of service, substantially similar to the manner and at the level of service with which the services were provided during the 12-month period prior to the distribution. The charge for these services are, generally, to be intended to allow the parties to recover all of their direct and indirect costs incurred in connection with providing those services.

The Transition Services Agreement generally provides that each party bears its own risks with respect to the receipt and provision of the transition services, with limited exceptions for items such as the other party's gross negligence or willful misconduct.

License, Development and Noncompetition Agreement

In connection with the Spin-off, we entered into a license, development and noncompetition agreement with Wyndham Hotels, which, among other things, granted to Wyndham Destinations the right to use the “Wyndham” trademark, “The Registry Collection” and certain other trademarks and intellectual property in our business. This right is generally limited to use in connection with our vacation ownership, vacation rental (in the U.S., Canada, Mexico and Caribbean) and vacation exchange businesses, with certain limited exceptions. This agreement has a term of 100 years with an option for us to extend the term for an additional 30 years. We will pay Wyndham Hotels certain royalties and other fees under this agreement.

Additionally, the license, development and noncompetition agreement governs arrangements between us and Wyndham Hotels with respect to the development of new projects and non-compete obligations. These non-compete obligations restrict each of the Company and Wyndham Hotels from competing with the other party's business (subject to customary carve-outs) for the first 25 years of the term of the license, development and noncompetition agreement, and we may extend the term of these non-compete obligations for an additional 5-year term if we achieve a certain sales target in the last full calendar year of the initial 25-year term. If either party acquires a business that competes with the other party's businesses, Wyndham Hotels or us, respectively, must offer the other party the right to acquire such competing business upon and subject to the terms and

conditions set forth in the license, development and noncompetition agreement. Additionally, if either party engages in a project that has a component that competes with the other party's businesses, Wyndham Hotels or us, respectively, must use commercially reasonable efforts to include the other party in such project, subject to the terms and conditions set forth in the license, development and noncompetition agreement.

ITEM 1A. RISK FACTORS

You should carefully consider each of the following risk factors and all of the other information set forth in this report. The risk factors generally have been separated into three groups: risks related to our business and our industry, risks related to our common stock and risks related to the recent Spin-off. Based on the information currently known to us, we believe that the following information identifies the most significant risk factors affecting our company in each of these categories of risks. However, the risks and uncertainties we face are not limited to those set forth in the risk factors described below. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also adversely affect our business. In addition, past financial performance may not be a reliable indicator of future performance and historical trends should not be used to anticipate results or trends in future periods.

If any of the following risks and uncertainties develop into actual events, these events could have a material adverse effect on our business, financial condition or results of operations. In such case, the trading price of our common stock could decline.

Risks Related to Our Business and Our Industry

The timeshare industry is highly competitive and we are subject to risks related to competition that may adversely affect our performance.

We will be adversely impacted if we cannot compete effectively in the highly competitive timeshare industry. Our continued success depends upon our ability to compete effectively in markets that contain numerous competitors, some of which may have significantly greater financial, marketing and other resources than we have. Competition in the timeshare industry is based on brand name recognition and reputation as well as location, price, property size and availability, quality, customer satisfaction, amenities and the ability to earn and redeem loyalty program points. New resorts may be constructed and these additions to supply may create new competitors, in some cases without corresponding increases in demand. Competition may reduce fee structures, potentially causing us to lower our fees or prices, which may adversely impact our profits. New competition or existing competition that uses a business model that is different from our business model may require us to change our model so that we can remain competitive.

We may not be able to achieve our growth and performance objectives.

We may not be able to achieve our growth and performance objectives for increasing: our earnings and cash flows; the number of tours and new owners generated and vacation ownership interests sold by our vacation ownership business; and the number of vacation exchange members and related transactions.

Acquisitions, dispositions and other strategic transactions may not prove successful and could result in operating difficulties.

We regularly consider a wide array of acquisitions and other potential strategic transactions, including acquisitions of businesses and real property, joint ventures, business combinations, strategic investments and dispositions. Any of these transactions could be material to our business. We often compete for these opportunities with third parties, which may cause us to lose potential opportunities or to pay more than we may otherwise have paid absent such competition. We cannot assure you that we will be able to identify and consummate strategic transactions and opportunities on favorable terms or that any such strategic transactions or opportunities, if consummated, will be successful. Assimilating any strategic transactions may also create unforeseen operating difficulties and costs.

On May 9, 2018, we completed the sale of our European vacation rentals business and, during the fourth quarter of 2018, we commenced activities to facilitate the sale of our North American vacation rentals business. Dispositions of businesses, such as our European vacation rentals transaction and proposed North American vacations rentals transaction, pose risks and challenges that could negatively impact our business, including costs or disputes with buyers. Dispositions may also involve continued financial involvement, as we may be required to retain responsibility for, or agree to indemnify buyers against, credit support obligations, contingent liabilities related to a divested business, such as lawsuits, tax liabilities, or other matters. Under these types of arrangements, performance by the divested business or other conditions outside of our control could affect our financial condition or results of operations. See Note 27—*Transactions with Former Parent and Former Subsidiaries* to the Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K for a description of our obligations related to the European vacation rentals business and Note 7-*Held-for-Sale Business* to the Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K for more details on the proposed North American vacation rentals transaction.

Our revenues are highly dependent on the travel industry and declines in or disruptions to the travel industry such as those caused by economic conditions, terrorism, political strife, severe weather events and other natural disasters, war and pandemics or threats of pandemics may adversely affect us.

Declines in or disruptions to the travel industry may adversely impact us. Risks affecting the travel and timeshare industries include: economic slowdown and recession; economic factors such as increased costs of living and reduced discretionary income adversely impacting decisions by consumers and businesses to use and consume travel services and products; terrorist incidents and threats and associated heightened travel security measures; political and regional strife; natural disasters such as earthquakes, hurricanes, fires, floods and volcano eruptions; war; concerns with or threats of pandemics, contagious diseases or health epidemics; environmental disasters; lengthy power outages; increased pricing, financial instability and capacity constraints of air carriers; airline job actions and strikes; and increases in gasoline and other fuel prices. Any such disruptions to the travel or timeshare industries may adversely affect our affiliated resorts, our RCI affiliates and other developers of vacation ownership resorts and timeshare property owner associations, thereby impacting our operations and the trading price of our common stock.

We are subject to numerous business, financial, operating and other risks common to the timeshare industry, any of which could reduce our revenues and our ability to make distributions and limit opportunities for growth.

Our business is subject to numerous business, financial, operating and other risks common to the timeshare industry, including adverse changes with respect to any of the following:

- consumer travel and vacation patterns and consumer preferences;
- increased or unanticipated operating costs, including as a result of inflation, energy costs and labor costs such as minimum wage increases and unionization, workers' compensation and health-care related costs and insurance which may not be fully offset by price or fee increases in our business or otherwise;
- desirability of geographic regions where resorts in our business are located;
- the supply and demand for vacation ownership services and products and exchange and rentals services and products;
- seasonality in our businesses, which may cause fluctuations in our operating results;
- geographic concentrations of our operations and customers;
- the availability of acceptable financing and the cost of capital as they apply to us, our customers, our RCI affiliates and other developers of vacation ownership resorts and timeshare property owner associations;
- the quality of the services provided by affiliated resorts and properties in our exchange and rentals business or resorts in which we sell vacation ownership interests or participants in the Wyndham Rewards loyalty program, which may adversely affect our image, reputation and brand value;
- overbuilding or excess capacity in one or more segments of the timeshare industry or in one or more geographic regions;
- our ability to develop and maintain positive relations and contractual arrangements with vacation ownership interest owners, current and potential vacation exchange members, resorts with units that are exchanged through our exchange and rentals business and timeshare property owner associations;
- organized labor activities and associated litigation;
- the bankruptcy or insolvency of customers, which could impair our ability to collect outstanding fees or other amounts due or otherwise exercise our contractual rights;
- our effectiveness in keeping pace with technological developments, which could impair our competitive position;
- disruptions, including non-renewal or termination of agreements, in relationships with third parties including marketing alliances and affiliations with e-commerce channels;
- owners or other developers that have development advance notes with, or who have received loans or other financial arrangements incentives from, us may experience financial difficulties;
- consolidation of developers could adversely affect our exchange and rentals business;
- decrease in the supply of available exchange and rentals accommodations due to, among other reasons, a decrease in inventory included in the system or resulting from ongoing property renovations or a decrease in member deposits could adversely affect our exchange and rentals business;
- decrease in or delays or cancellations of planned or future development or refurbishment projects;
- the viability of property owners' associations that we manage and the maintenance and refurbishment of vacation ownership properties, which depend on property owners associations levying sufficient maintenance fees and the ability of members to pay such maintenance fees;
- increases in maintenance fees, which could cause our product to become less attractive or less competitive;
- our ability to securitize the receivables that we originate in connection with sales of vacation ownership interests;
- defaults on loans to purchasers of vacation ownership interests who finance the purchase price of such vacation ownerships;
- the level of unlawful or deceptive third-party vacation ownership interest resale schemes, which could damage our reputation and brand value;

- the availability of and competition for desirable sites for the development of vacation ownership properties, difficulties associated with obtaining required approvals to develop vacation ownership properties, liability under state and local laws with respect to any construction defects in the vacation ownership properties we develop, and risks related to real estate project development costs and completion;
- private resale of vacation ownership interests and the sale of vacation ownership interests on the secondary market, which could adversely affect our vacation ownership resorts and exchange and rentals business;
- disputes with owners of vacation ownership interests, property owners associations, and vacation exchange affiliation partners, which may result in litigation and the loss of management contracts;
- laws, regulations and legislation internationally and domestically, and on a federal, state or local level, concerning the timeshare industry, which may make the operation of our business more onerous, more expensive or less profitable;
- our failure or inability to adequately protect and maintain our trademarks and other intellectual property rights; and
- market perception of the timeshare industry and negative publicity from online social media postings and related media reports, which could damage our brands.

Any of these factors could increase our costs, reduce our revenues or otherwise adversely impact our opportunities for growth.

Third-party Internet reservation systems and peer-to-peer online networks may adversely impact us.

Consumers increasingly use third-party Internet travel intermediaries and peer-to-peer online networks to search for and book their lodging accommodations. As the percentage of Internet reservations increases, travel intermediaries may be able to obtain higher commissions and reduced room rates from us to the detriment of our business. Additionally, such travel intermediaries may divert reservations away from our direct online channels or increase the overall cost of Internet reservations for our affiliated resorts through their fees. As the use of these third-party reservation channels and peer-to-peer online networks increases, consumers may rely on these channels, adversely affecting our vacation ownership, resort and rental brands, reservation systems, bookings and rates. The continued development and use of peer-to-peer online networks for lodging and vacation rentals are also causing some local governments to enact bans or restrictions on short-term property rentals that may adversely impact our vacation rental business. In addition, if we fail to reach satisfactory agreements with travel intermediaries as our contracts with them come up for periodic renewal, our affiliated resorts may no longer appear on their websites and we could lose business as a result.

In addition to competing with traditional hotels, resorts, lodging and vacation rental properties, our vacation rental business competes with alternative lodging channels, including third-party providers of short-term rental properties and serviced apartments. Increasing use of these alternative lodging channels could materially adversely affect the occupancy and/or average rates and prices at our resorts and vacation properties and our revenues.

We are subject to risks related to our vacation ownership receivables portfolio.

We are subject to risks that purchasers of vacation ownership interests who finance a portion of the purchase price default on their loans due to adverse macro or personal economic conditions, third-party organizations that encourage defaults, or otherwise, which necessitates increases in loan loss reserves and adversely affects loan portfolio performance. When such defaults occur during the early part of the loan amortization period, we may not have recovered the marketing, selling, administrative and other costs associated with such vacation ownership interests. Additional costs are incurred in connection with the resale of repossessed vacation ownership interests, and the value we recover in a resale is not in all instances sufficient to cover the outstanding debt on the defaulted loan.

Our international operations are subject to additional risks not generally applicable to our domestic operations.

Our international operations are subject to numerous risks, including exposure to local economic conditions; potential adverse changes in the diplomatic relations of foreign countries with the U.S.; hostility from local populations; political instability; threats or acts of terrorism; the effect of disruptions caused by severe weather, natural disasters, outbreak of disease or other events that make travel to a particular region less attractive or more difficult; the presence and acceptance of varying levels of business corruption in international markets and the effect of various anti-corruption and other laws; restrictions and taxes on the withdrawal of foreign investment and earnings; government policies against businesses or properties owned by non-U.S. citizens; investment restrictions or requirements; diminished ability to legally enforce our contractual rights in foreign countries; forced nationalization of assets by local, state or national governments; foreign exchange restrictions; fluctuations in foreign currency exchange rates; conflicts between local laws and U.S. laws including laws that impact our rights to protect our intellectual property; withholding and other taxes on remittances and other payments by subsidiaries; and changes in and application of foreign taxation structures including value added taxes. Any of these risks or any adverse outcome resulting from the financial instability or performance of foreign economies, the instability of other currencies and the related volatility on foreign exchange and interest rates, could impact our results of operations, financial position or cash flows.

Changes in U.S. federal, state and local or foreign tax law, interpretations of existing tax law, or adverse determinations by tax authorities, could increase our tax burden or otherwise adversely affect our financial condition or results of operations.

We are subject to taxation at the federal, state and local levels in the U.S. and various other countries and jurisdictions. Our future effective tax rate and future cash flows could be affected by changes in the composition of earnings in jurisdictions with differing tax rates, changes in statutory rates and other legislative changes, changes in the valuation of our deferred tax assets and liabilities, changes in determinations regarding the jurisdictions in which we are subject to tax, and our ability to repatriate earnings from foreign jurisdictions. From time to time, U.S. federal, state and local and foreign governments make substantive changes to tax rules and their application, which could result in materially higher corporate taxes than would be incurred under existing tax law and could otherwise adversely affect our financial condition or results of operations. This includes potential changes in tax laws or the interpretation of tax laws arising out of the Base Erosion Profit Shifting project initiated by the Organization for Economic Co-operation and Development.

We are subject to ongoing and periodic tax audits and disputes in U.S. federal and various state, local and foreign jurisdictions. An unfavorable outcome from any tax audit could result in higher tax costs, penalties and interest, thereby adversely affecting our financial condition or results of operations.

Additionally, on December 22, 2017, the Tax Cuts and Jobs Act of 2017 was enacted in the U.S., which broadly reforms the corporate tax system. The tax reform law, which among other items, reduces the U.S. corporate tax rate, eliminates or limits the deduction of certain expenses which were previously deductible, imposes a mandatory deemed repatriation tax on undistributed historic earnings of foreign subsidiaries and requires a minimum tax on earnings generated by foreign subsidiaries, significantly impacts our effective tax rate, cash tax expenses and/or deferred income tax balances.

We are subject to certain risks related to our indebtedness, hedging transactions, securitization of certain of our assets, surety bond requirements, the cost and availability of capital and the extension of credit by us.

We are a borrower of funds under credit facilities, credit lines, senior notes, a term loan and securitization financings. We use financial instruments to reduce or hedge our financial exposure to the effects of currency and interest rate fluctuations. We are required to post surety bonds in connection with our development and sales activities. In connection with our debt obligations, hedging transactions, securitization of certain of our assets, surety bond requirements, the cost and availability of capital and the extension of credit by us, we are subject to numerous risks, including:

- our cash flows from operations or available lines of credit may be insufficient to meet required payments of principal and interest, which could result in a default and acceleration of the underlying debt and other debt instruments that contain cross-default provisions;
- we may be unable to comply with the terms of the financial covenants under our revolving credit facility or other debt, including a breach of the financial ratio tests, which could result in a default and acceleration of the underlying revolver debt and under other debt instruments that contain cross-default provisions;
- our leverage may adversely affect our ability to obtain additional financing on favorable terms or at all;
- our leverage may require the dedication of a significant portion of our cash flows to the payment of principal and interest thus reducing the availability of cash flows to fund working capital, capital expenditures, dividends, share repurchases or other operating needs;
- increases in interest rates may adversely affect our financing costs and the costs of our vacation ownership interest financing and associated increases in hedging costs;
- rating agency downgrades of our debt could increase our borrowing costs and prevent us from obtaining additional financing on favorable terms or at all;
- failure or non-performance of counterparties to foreign exchange and interest rate hedging transactions could result in losses;
- an inability to securitize our vacation ownership loan receivables on terms acceptable to us because of, among other factors, the performance of the vacation ownership loan receivables, adverse conditions in the market for vacation ownership loan-backed notes and asset-backed notes in general and the risk that the actual amount of uncollectible accounts on our securitized vacation ownership loan receivables and other credit we extend is greater than expected;
- breach of portfolio performance triggers under securitization transactions which if violated may result in a disruption or loss of cash flow from such transactions;
- a reduction in commitments from surety bond providers, which may impair our vacation ownership business by requiring us to escrow cash in order to meet regulatory requirements of certain states;
- prohibitive cost, or inadequate availability, of capital could restrict the development or acquisition of vacation ownership resorts by us and the financing of purchases of vacation ownership interests;

- the inability of developers of vacation ownership properties that have received mezzanine and other loans from us to pay back such loans;
- increases in interest rates, which may prevent us from passing along the full amount of such increases to purchasers of vacation ownership interests to whom we provide financing; and
- disruptions in the financial markets, including potential financial uncertainties surrounding the United Kingdom's pending withdrawal from the European Union, commonly referred to as "Brexit," and the failure of financial institutions that support our credit facilities, general economic conditions and market liquidity factors outside of our control, which may limit our access to short- and long-term financing, credit and capital.

We are subject to risks associated with the current interest rate environment and to the extent we use debt to finance our investments, changes in interest rates will affect our cost of capital and net investment income.

Since mid-2007, interest rates have remained low. Because longer-term inflationary pressure is likely to result from the U.S. government's fiscal policies and challenges during this time, we will likely experience rising interest rates, rather than falling rates, and have experienced increases to LIBOR in 2018.

To the extent we borrow money or issue debt securities or preferred stock to make investments, our net investment income will depend, in part, upon the difference between the rate at which we borrow funds or pay interest or dividends on such debt securities or preferred stock and the rate at which we invest these funds. In addition, some of our debt investments and borrowings have floating interest rates that reset on a periodic basis, and some of our investments are subject to interest rate floors. As a result, a change in market interest rates could have a material adverse effect on our net investment income, in particular with respect to increases from current levels to the level of the interest rate floors on certain investments. We may use interest rate risk management techniques in an effort to limit our exposure to interest rate fluctuations. Such techniques may include various interest rate hedging activities. These activities may limit our ability to participate in the benefits of lower interest rates with respect to the hedged borrowings. Adverse developments resulting from changes in interest rates or hedging transactions could have a material adverse effect on our business, financial condition and results of operations.

In July 2017, the United Kingdom Financial Conduct Authority announced its desire to phase out the use of LIBOR by the end of 2021. There is no definitive information regarding the future utilization of LIBOR or of any particular replacement rate. As such, the potential effect of any such event on our cost of capital and net investment income cannot yet be determined. In addition, any further changes or reforms to the determination or supervision of LIBOR may result in a sudden or prolonged increase or decrease in reported LIBOR, which could have an adverse impact on the market value for or value of any of our LIBOR-linked securities, loans, and other financial obligations or extensions of credit held by or due to us and could have a material adverse effect on our business, financial condition and results of operations. See further discussion in Note 15—*Debt* to the Consolidated Financial Statements, included in Item 8 of this Annual Report on Form 10-K.

We are subject to risks related to litigation.

We are subject to a number of claims and legal proceedings and the risk of future litigation as described in these Risk Factors and throughout this report and as may be updated in subsequent SEC filings from time to time, including, but not limited to, with respect to Cendant and the spin-off of Wyndham Hotels & Resorts, Inc. See further discussion in Note 19—*Commitments and Contingencies* to the Consolidated Financial Statements and Note 27—*Transactions with Former Parent and Former Subsidiaries* to the Consolidated Financial Statements, both included in Item 8 of this Annual Report on Form 10-K. We cannot predict with certainty the ultimate outcome and related damages and costs of litigation and other proceedings filed or asserted by or against us. Unfavorable rulings or outcomes in litigation and other proceedings may harm our business.

Our operations are subject to extensive regulation and the cost of compliance or failure to comply with such regulations may adversely affect us.

Our operations are regulated by federal, state and local governments in the countries in which we operate. In addition, U.S. and international federal, state and local regulators may enact new laws and regulations that may reduce our revenues, cause our expenses to increase or require us to modify our business practices substantially. If we are not in compliance with applicable laws and regulations, including, among others, those governing timeshare (including required government registrations), vacation rentals, consumer financings and other lending, information security, data protection and privacy (including the General Data Protection Regulation), credit card and payment card security standards, marketing, sales, consumer protection and advertising, unfair and deceptive trade practices, fraud, bribery and corruption, telemarketing (including do-not-call and call-recording regulations), licensing, labor, employment, anti-discrimination, health care, health and safety, accessibility, immigration, gaming, environmental (including climate change) and remediation, intellectual property, securities, stock exchange listing, accounting, tax and regulations applicable under the Dodd-Frank Act, Office of Foreign Asset Control, Americans with Disabilities Act, the Sherman Act, the Foreign Corrupt Practices Act and local equivalents in international

jurisdictions, including the United Kingdom Bribery Act, we may be subject to regulatory investigations or actions, fines, civil and/or criminal penalties, injunctions and potential criminal prosecution.

While we continue to monitor all such laws and regulations and provide training to our employees as part of our compliance programs, the cost of compliance with such laws and regulations impacts our operating costs and compliance with such laws and regulations may also impact or restrict the manner in which we operate and market our business. There can be no assurance that our compliance programs will protect us against any non-compliance with these laws and regulations. Future changes to such laws and regulations and the cost of compliance or failure to comply with such regulations may adversely affect us.

Failure to maintain the security of personally identifiable and proprietary information, non-compliance with our contractual obligations or other legal obligations regarding such information or a violation of our privacy and security policies with respect to such information could adversely affect us.

In connection with our business, we and our service providers collect and retain large volumes of certain types of personal and proprietary information pertaining to our guests, shareholders and employees. Such information includes, but is not limited to, large volumes of guest credit and payment card information, guest travel documents, other identification documents, account numbers and other personally identifiable information. We are subject to attack by cyber-criminals operating on a global basis attempting to gain access to such information, and the integrity and protection of that guest, shareholder and employee data is critical to us.

While we maintain what we believe are reasonable security controls over personal and proprietary information, including the personal information of guests, shareholders and employees, any breach of or breakdown in our systems that results in the theft, loss, fraudulent use or other unauthorized release of personal or proprietary information or other data could nevertheless occur and persist for an extended period of time without detection, which could have a material adverse effect on our brands, reputation, business, financial condition and results of operations, as well as subject us to significant regulatory actions and fines, litigation, losses, third-party damages and other liabilities. Such a breach or a breakdown could also materially increase our costs to protect such information and to protect against such risks. Our and our third-party service providers' vulnerability to attack exists in relation to known and unknown threats. As a consequence, the security measures we deploy are not perfect or impenetrable, and despite our investment in and maintenance of such controls, we may be unable to anticipate or prevent all unauthorized access attempts made on our systems or those of our third-party service providers.

Additionally, the legal and regulatory environment surrounding information security and privacy in the U.S. and international jurisdictions is constantly evolving. For example, the recently enacted EU General Data Protection Regulation ("GDPR") imposes significant obligations to businesses that sell products or services to EU customers or otherwise control or process personal data of EU residents. Complying with GDPR could increase our compliance cost. In addition, should we violate or not comply with GDPR or any other applicable laws or regulations, contractual requirements relating to data security and privacy, or with our own privacy and security policies, either intentionally or unintentionally, or through the acts of intermediaries, it could have a material adverse effect on our brands, marketing, reputation, business, financial condition and results of operations, as well as subject us to significant fines, litigation, losses, third-party damages and other liabilities. In the United States, California enacted the California Consumer Privacy Act of 2018, or the CCPA. The CCPA provides to California consumers certain new access, deletion and opt-out rights related to their personal information, imposes civil penalties for violations and affords, in certain cases, a private right of action for data breaches. The CCPA is scheduled to take effect on January 1, 2020 and the Company is currently evaluating the CCPA's potential impact on its business or operations. Compliance with the CCPA may require us to incur significant costs and expenses.

Our information technology infrastructure, including but not limited to our, and our third-party service providers', information systems and legacy proprietary online reservation and management systems, has been and will likely continue to be vulnerable to system failures such as server malfunction or software or hardware failures, computer hacking, phishing attacks, user error, cyber-terrorism, loss of data, computer viruses and malware installation, and other intentional or unintentional interference, negligence, fraud, misuse and other unauthorized attempts to access or interfere with these systems and our personal and proprietary information. In addition, as we transition from our legacy systems to new, cloud-based technologies, we may face start-up issues that may negatively impact guests. The increased scope and complexity of our information technology infrastructure and systems could contribute to the potential risk of security breaches or breakdown.

The insurance we carry may not always pay, or be sufficient to pay or reimburse us, for our liabilities, losses or replacement costs.

We carry insurance for general liability, property, business interruption, cyber security, and other insurable risks with respect to our business operations. We also self-insure for certain risks up to certain monetary limits. The terms and conditions or the amounts of coverage of our insurance may not at all times be sufficient to pay or reimburse us for the amount of our liabilities, losses or

replacement costs, and there may also be risks for which we do not obtain insurance in the full amount or at all concerning a potential loss or liability, due to the cost or availability of such insurance. As a result, we may incur liabilities or losses in the operation of our business that are substantial, which are not sufficiently covered by the insurance we maintain, or at all, which could have a material adverse effect on our business, financial condition and results of operations. Following the significant casualty losses incurred by the insurance industry due to hurricanes, fires and other events, property insurance costs may be higher, and availability may be lower, in future periods, particularly in certain geographies.

We rely on information technologies and systems to operate our business, which involves reliance on third-party service providers and on uninterrupted operation of service facilities.

We rely on information technologies and systems to operate our business, which involves reliance on third-party service providers and on uninterrupted operation of service facilities, including those used for reservation systems, payments systems, vacation exchange systems, property management, communications, procurement, member record databases, call centers, operation of our loyalty programs and administrative systems. We also maintain physical facilities to support these systems and related services. Any natural disaster, cyberattack, disruption or other impairment in our technology capabilities and service facilities or those of our third-party service providers could result in denial or interruption of service, financial losses, customer claims, litigation or damage to our reputation, or otherwise harm our business. In addition, any failure of our ability to provide our reservation systems, as a result of failures related to us or our third-party providers, may deter prospective resort owners from entering into agreements with us, and may expose us to liability from other parties with whom we have contracted to provide reservation services. Similarly, failure to keep pace with developments in technology could impair our operations or competitive position.

We are subject to risks related to corporate social responsibility.

Many factors influence our reputation and the value of our brands including the perception held by our customers and other key stakeholders and the communities in which we do business. Our business faces increasing scrutiny related to environmental, social and governance activities and risk of damage to our reputation and the value of our brands if we fail to act responsibly or comply with regulatory requirements in a number of areas, such as safety and security, responsible tourism, environmental stewardship and sustainability, supply chain management, climate change, diversity, human rights and modern slavery, philanthropy and support for local communities.

The continuing evolution of social media presents new challenges and requires us to keep pace with new developments and trends. Negative posts or comments about us, the properties we manage or our brands on any social networking or user-generated review website, including travel and vacation property websites, could affect consumer opinions of us and our products, and we cannot guarantee that we will timely or adequately redress such instances.

Current and future international operations expose us to additional challenges and risks that may not be inherent in operating solely in the U.S., including, but not limited to, our ability to sell products and services, enforce intellectual property rights and staff and manage operations due to different social or cultural norms and practices that are not customary in the U.S., distance and language.

We are responsible for certain of Cendant's contingent and other corporate liabilities.

Under the separation agreement and the tax sharing agreement that we executed with Cendant (now Avis Budget Group) and former Cendant units, Realogy and Travelport, we and Realogy generally are responsible for 37.5% and 62.5%, respectively, of certain of Cendant's contingent and other corporate liabilities and associated costs including certain contingent and other corporate liabilities of Cendant or its subsidiaries to the extent incurred on or prior to August 23, 2006. As a result of the completion of the spin-off of our hotel business, Wyndham Hotels & Resorts, Inc. agreed to retain one-third of Cendant’s contingent and other corporate liabilities and associated costs; therefore, we are responsible for 25% of these liabilities and costs subsequent to the Spin-off. These liabilities include those relating to certain of Cendant's terminated or divested businesses, the Travelport sale, certain Cendant- related litigation, actions with respect to the separation plan and payments under certain contracts that were not allocated to any specific party in connection with the separation.

If any party responsible for the liabilities described above were to default on its obligations, each non-defaulting party would be required to pay an equal portion of the amounts in default. Accordingly, we could under certain circumstances be obligated to pay amounts in excess of our share of the assumed obligations related to such liabilities including associated costs.

Changes to estimates or projections used to assess the fair value of our assets or operating results that are lower than our current estimates may cause us to incur impairment losses and require us to write-off all or a portion of the remaining value of our goodwill or other intangibles of companies we have acquired.

Our total assets include goodwill and other intangible assets. We evaluate our goodwill for impairment on an annual basis or at other times during the year if events or circumstances indicate that it is more likely than not that the fair value is below the carrying value. We may be required to record a significant non-cash impairment charge in our financial statements during the period in which any impairment of our goodwill, other intangible assets or other assets is determined, negatively impacting our results of operations and shareholders' equity.

Risks Related to Our Common Stock

The trading price of our shares of common stock may continue to fluctuate.

The trading price of our common stock may continue to fluctuate depending upon many factors, some of which may be beyond our control including our quarterly or annual earnings or those of other companies in our industry; actual or anticipated fluctuations in our operating results due to seasonality and other factors related to our business; our ability or perceived ability to realize the benefits of the Spin-off; our credit ratings, including the impact of the Spin-off on such ratings; changes in accounting principles or rules; announcements by us or our competitors of significant acquisitions or dispositions; the lack of securities analysts covering our common stock; changes in earnings estimates by securities analysts or our ability to meet those estimates; the operating and stock price performance of comparable companies; overall market fluctuations; and general economic conditions. Stock markets in general have experienced volatility that has often been unrelated to the operating performance of a particular company. These broad market fluctuations may adversely affect the trading price of our common stock.

Your percentage ownership in Wyndham Destinations may be diluted in the future.

Your percentage ownership in Wyndham Destinations may be diluted in the future because of equity awards that we have and expect will be granted over time to our Directors and employees. In addition, our Board of Directors ("Board") may issue shares of our common and preferred stock and debt securities convertible into shares of our common and preferred stock up to certain regulatory thresholds without shareholder approval.

Provisions in our certificate of incorporation and by-laws and under Delaware law may prevent or delay an acquisition of Wyndham Destinations which could impact the trading price of our common stock.

Our certificate of incorporation and by-laws and Delaware law contain provisions that are intended to deter coercive takeover practices and inadequate takeover bids. These provisions include that shareholders do not have the right to act by written consent, rules regarding how shareholders may present proposals or nominate directors for election at shareholder meetings, the right of our Board to issue preferred stock without shareholder approval and limitations on the right of shareholders to remove directors. Delaware law also imposes restrictions on mergers and other business combinations between us and any holder of 15% or more of our outstanding common stock. We believe these provisions protect our shareholders from coercive or otherwise unfair takeover tactics by requiring potential acquirers to negotiate with our Board and by providing our Board with more time to assess any acquisition proposal. These provisions are not intended to make us immune from takeovers. However, these provisions apply even if the offer may be considered beneficial by some stockholders and could delay or prevent an acquisition that our Board determines is not in the best interests of our company and our shareholders.

We cannot provide assurance that we will continue to pay dividends or purchase shares of our common stock under our share repurchase program.

There can be no assurance that we will have sufficient cash or surplus under Delaware law to be able to continue to pay dividends or purchase shares of our common stock under our share repurchase program. This may result from extraordinary cash expenses, actual expenses exceeding contemplated costs, funding of capital expenditures, increases in reserves or lack of available capital. Our Board may also suspend the payment of dividends or our share repurchase program if the Board deems such action to be in the best interests of our shareholders.

Risks Related to the Recent Spin-Off

We may be unable to achieve some or all of the benefits we expect to achieve from the spin-off.

On May 31, 2018, we completed the spin-off of our hotel business - Wyndham Hotels & Resorts, Inc. Although we believe that the Spin-off will enhance our long-term value, we may not be able to achieve some or all of the anticipated benefits from the separation of our businesses, and the Spin-off may adversely affect our business. Separating the businesses resulted in two independent, publicly traded companies, each of which is now a smaller, less diversified and more narrowly focused business than before the Spin-off, which makes us more vulnerable to changing market and economic conditions and the risk of takeover by third parties. Operating as a smaller, independent entity may reduce or eliminate some of the benefits and synergies which previously existed across our business platforms before the Spin-off, including our operating diversity, purchasing and borrowing leverage, available capital for investments, partnerships and relationships and opportunities to pursue integrated strategies with the businesses within our former combined company and the ability to attract, retain and motivate key employees. In addition, as a smaller company, our ability to absorb costs may be negatively impacted, including the significant cost of the Spin-off transaction, and we may be unable to obtain financing, goods or services at prices or on terms as favorable as those obtained by our former combined company. Any of these factors could have a material adverse effect on our business, financial condition, results of operations, cash flows, business prospects and the trading price of our common stock. By spinning-off our hotel business, we also may be more susceptible to market fluctuations and other adverse events than we would be if we did not spin-off the hotel business. If we fail to achieve some or all of the benefits that we expect to achieve as a result of the Spin-off, or do not achieve them in the time we expect, our results of operations and financial condition could be materially adversely affected.

Our business operations are dependent upon our new senior management team and the ability of our other new employees to learn their new roles.

In connection with the Spin-off and the transition of our corporate headquarters from Parsippany, New Jersey to Orlando, Florida, we substantially changed our senior management team and have replaced many of the other employees performing key functions at our corporate headquarters. As new employees gain experience in their roles, we could experience inefficiencies or a lack of business continuity due to loss of historical knowledge and a lack of familiarity of new employees with business processes, operating requirements, policies and procedures, some of which are new, and key information technologies and related infrastructure used in our day-to-day operations and financial reporting and we may experience additional costs as new employees learn their roles and gain necessary experience. It is important to our success that these key employees quickly adapt to and excel in their new roles. If they are unable to do so, our business and financial results could be materially adversely affected. In addition, losing the services of any member of our senior management team could adversely affect our strategic and customer relationships and impede our ability to execute our business strategies. The market for qualified individuals may be highly competitive and finding and recruiting suitable replacements for senior management may be difficult, time consuming and costly.

The Spin-off and related transactions may expose us to potential liabilities arising out of state and federal fraudulent conveyance laws and legal distribution requirements.

While we did receive a solvency opinion from an investment bank confirming that we and Wyndham Hotels & Resorts, Inc. were adequately capitalized immediately after the Spin-off, the Spin-off could be challenged under various state and federal fraudulent conveyance laws. An unpaid creditor could claim that we did not receive fair consideration or reasonably equivalent value in the Spin-off, and that the Spin-off left us insolvent or with unreasonably small capital or that we intended or believed we would incur debts beyond our ability to pay such debts as they mature. If a court were to agree with such a plaintiff, then such court could void the Spin-off as a fraudulent transfer and could impose a number of different remedies, including without limitation, returning the assets or the shares of common stock in Wyndham Hotels & Resorts, Inc. being distributed as part of the Spin-off or providing us with a claim for money damages against the spun-off business in an amount equal to the difference between the consideration received by us and the fair market value of Wyndham Hotels & Resorts, Inc. at the time of the Spin-off.

Following completion of the Spin-off, our success depends in part on our ongoing relationship with Wyndham Hotels & Resorts, Inc.

In connection with the Spin-off, we entered into a number of agreements with Wyndham Hotels & Resorts, Inc. that govern the ongoing relationships between Wyndham Hotels & Resorts, Inc. and us following the Spin-off. Our success will depend, in part, on the maintenance of these ongoing relationships with Wyndham Hotels & Resorts, Inc. as well as Wyndham Hotels & Resorts, Inc.'s performance of its obligations under these agreements, including Wyndham Hotels & Resorts, Inc.'s maintenance of the quality of its products and services as well as the reputation of the Wyndham-branded trademarks, tradenames and certain related intellectual property that we license from it pursuant to the license, development and

noncompetition agreement. If we are unable to maintain a good relationship with Wyndham Hotels & Resorts, Inc., or if Wyndham Hotels & Resorts, Inc. does not perform its obligations under these agreements, fails to protect the trademarks, tradenames and intellectual property that we license from it or if these brands deteriorate or materially change in an adverse manner, or the reputation of these brands declines, our brand may be negatively affected, our profitability and revenues could decrease and our growth potential may be adversely affected.

We are responsible for certain contingent and other corporate liabilities incurred prior to the Spin-off.

In accordance with the agreements we entered into with Wyndham Hotels in connection with the spin-off, Wyndham Hotels assumed one-third and Wyndham Destinations assumed two-thirds of certain contingent and other corporate liabilities of the Company incurred prior to the distribution, including liabilities of the Company related to certain terminated or divested businesses, certain general corporate matters, and any actions with respect to the separation plan. See Note 27—*Transactions with Former Parent and Former Subsidiaries* to the Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K for a description of our obligations related to Wyndham Hotels.

If Wyndham Hotels was to default on its obligations, we would be required to pay the amounts in default. Accordingly, we could under certain circumstances be obligated to pay amounts in excess of our share of the assumed obligations related to such liabilities including associated costs.

Certain directors who serve on our Board of Directors currently serve as directors of Wyndham Hotels & Resorts, Inc. following the Spin-off, and ownership of shares of common stock of Wyndham Hotels & Resorts, Inc. following the Spin-off by our directors and executive officers may create, or appear to create, conflicts of interest.

Certain of our directors who serve on our Board of Directors currently serve on the board of directors of Wyndham Hotels & Resorts, Inc. This may create, or appear to create, conflicts of interest when our or Wyndham Hotels & Resorts, Inc.'s management and directors face decisions that could have different implications for us and Wyndham Hotels & Resorts, Inc., including the resolution of any dispute regarding the terms of the agreements governing the Spin-off and the relationship between us and Wyndham Hotels & Resorts, Inc. after the Spin-off or any other commercial agreements entered into in the future between us and Wyndham Hotels & Resorts, Inc.

Substantially all of our executive officers and some of our non-employee directors currently own shares of the common stock of Wyndham Hotels & Resorts, Inc. The continued ownership of such common stock by our directors and executive officers following the Spin-off creates or may create the appearance of a conflict of interest when these directors and executive officers are faced with decisions that could have different implications for us and Wyndham Hotels & Resorts, Inc.

If the distribution, together with certain related transactions, were to fail to qualify as a reorganization for U.S. federal income tax purposes under Sections 368(a)(l)(D) and 355 of the Internal Revenue Code of l986, as amended (Code), then our shareholders, we and Wyndham Hotels & Resorts, Inc. might be required to pay substantial U.S. federal income taxes.

The distribution was conditioned upon our receipt of opinions of our spin-off tax advisors to the effect that, subject to the assumptions and limitations described therein, the distribution, together with certain related transactions, will qualify as a reorganization for U.S. federal income tax purposes under Sections 368(a)(1)(D) and 355 of the Code in which no gain or loss is recognized by us or our shareholders, except, in the case of our shareholders, for cash received in lieu of fractional shares. The opinions of our spin-off tax advisors were based on, among other things, certain assumptions as well as on the continuing accuracy of certain factual representations and statements that we and Wyndham Hotels & Resorts, Inc. made to the spin-off tax advisors. In rendering their opinions, the spin-off tax advisors also relied on certain covenants that we and Wyndham Hotels & Resorts, Inc. entered into, including the adherence by us and by Wyndham Hotels & Resorts, Inc. to certain restrictions on future actions contained in the Tax Matters Agreement. If any of the representations or statements that we or Wyndham Hotels & Resorts, Inc. made are or become inaccurate or incomplete, or if we or Wyndham Hotels & Resorts, Inc. breach any of such covenants, the distribution and such related transactions might not qualify for such tax treatment. The opinions of the spin-off tax advisors are not binding on the U.S. Internal Revenue Service (“IRS”) or a court, and there can be no assurance that the IRS will not challenge the validity of the distribution and such related transactions as a reorganization for U.S. federal income tax purposes under Sections 368(a)(1)(D) and 355 of the Code eligible for tax-free treatment, or that any such challenge ultimately will not prevail.

In addition, we received a private letter ruling from the IRS regarding certain U.S. federal income tax aspects of transactions related to the Spin-off (“IRS Ruling”). Although the IRS Ruling generally is binding on the IRS, the continued validity of the IRS Ruling will be based upon and subject to the continuing accuracy of factual statements and representations made to the IRS by us. In addition, there is a risk that the IRS could promulgate new administrative guidance prior to the Spin-off that could

adversely impact the tax-free treatment of the distribution (even taking into account the receipt of the IRS Ruling). The IRS Ruling is limited to specified aspects of the Spin-off under Sections 355 and 361 of the Code and does not represent a determination by the IRS that all of the requirements necessary to obtain tax-free treatment to holders of our common stock and to us have been satisfied.

If the distribution does not qualify as a tax-free transaction for any reason, including as a result of a breach of a representation or covenant, we would recognize a substantial gain attributable to Wyndham Hotels & Resorts, Inc. for U.S. federal income tax purposes. In such case, under U.S. Treasury regulations, each member of our consolidated group at the time of the Spin-off (including the hotel business) would be jointly and severally liable for the entire resulting amount of any U.S. federal income tax liability. Additionally, if the distribution of the common stock of Wyndham Hotels & Resorts, Inc. does not qualify as tax-free under Section 355 of the Code, our shareholders will be treated as having received a taxable distribution equal to the value of the stock distributed, treated as a taxable dividend to the extent of our current and accumulated earnings and profits, and then would have a tax-free basis recovery up to the amount of their tax basis in their shares, and then would have taxable gain from the sale or exchange of the shares to the extent of any excess.

Our ability to engage in acquisitions and other strategic transactions is subject to limitations because we have agreed to certain restrictions intended to support the tax-free nature of the distribution.

The U.S. federal income tax laws that apply to transactions like the Spin-off generally create a presumption that the distribution would be taxable to us (but not to our stockholders) if we engage in, or enter into an agreement to engage in, a transaction that would result in a 50% or greater change by vote or by value in our stock ownership during the four-year period beginning two years before the distribution date, unless it is established that the transaction is not pursuant to a plan or series or transactions related to the distribution. U.S. Treasury regulations currently in effect generally provide that whether an acquisition transaction and a distribution are part of a plan is determined based on all of the facts and circumstances, including specific factors listed in the Treasury regulations. In addition, these Treasury regulations provide several "safe harbors" for acquisition transactions that are not considered to be part of a plan that includes a distribution.

There are other restrictions imposed on us under current U.S. federal income tax laws with which we will need to comply in order for the distribution and certain related transactions to qualify as a transaction that is tax-free under Sections 368(a)(1)(D) and 355 of the Code. For example, we will generally be required to continue to own and manage our business, and there will be limitations on issuances, redemptions and sales of our stock for cash or other property following the distribution, except in connection with certain stock-for-stock acquisitions and other permitted transactions. If these restrictions are not followed, the distribution could be taxable to us and our stockholders.

We entered into a Tax Matters Agreement with Wyndham Hotels & Resorts, Inc. under which we have allocated, between Wyndham Hotels & Resorts, Inc. and ourselves, responsibility for U.S. federal, state and local and non-U.S. income and other taxes relating to taxable periods before and after the Spin-off and provided for computing and apportioning tax liabilities and tax benefits between the parties. In the Tax Matters Agreement, we agreed that, among other things, we may not take, or fail to take, any action following the distribution if such action, or failure to act: would be inconsistent with or prohibit the Spin-off and certain restructuring transactions related to the distribution and certain related transactions from qualifying as a tax-free reorganization under Sections 368(a)(1)(D) and 355 and related provisions of the Code to us and our stockholders (except with respect to the receipt of cash in lieu of fractional shares of our stock); or would be inconsistent with, or cause to be untrue, any representation, statement, information or covenant made in connection with the IRS Ruling, the tax opinions provided by our spin-off tax advisors or the Tax Matters Agreement relating to the qualification of the distribution and certain related transactions as a tax-free transaction under Sections 368(a)(1)(D) and 355 and related provisions of the Code.

In addition, we agreed that we may not, among other things, during the two-year period following the Spin-off, except under certain specified circumstances, issue, sell or redeem our stock or other securities (or those of certain of our subsidiaries); liquidate, merge or consolidate with another person; sell or dispose of assets outside the ordinary course of business or materially change the manner of operating our business; or enter into any agreement, understanding or arrangement, or engage in any substantial negotiations with respect to any transaction or series of transactions which would cause us to undergo a specified percentage or greater change in our stock ownership by value or voting power. These restrictions could limit our strategic and operational flexibility, including our ability to finance our operations by issuing equity securities, make acquisitions using equity securities, repurchase our equity securities, or raise money by selling assets or enter into business combination transactions. We also agreed to indemnify Wyndham Hotels & Resorts, Inc. for certain tax liabilities resulting from any such transactions. Further, our stockholders may consider these covenants and indemnity obligations unfavorable as they might discourage, delay or prevent a change of control.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

Wyndham Corporate

Our corporate headquarters is located in a leased office at 6277 Sea Harbor Drive in Orlando, Florida, which lease expires in 2025. We also have a leased office in Virginia Beach, Virginia for our Associate Service Center, which lease expires in 2019.

Vacation Ownership

Our vacation ownership business has its main corporate operations in Orlando, Florida pursuant to several leases which begin to expire in 2025. Our vacation ownership business also has leased spaces in Redmond, Washington; Springfield, Missouri; Chicago, Illinois; Las Vegas, Nevada; and Bundall, Australia with various expiration dates between 2020 and 2037. Our vacation ownership business leases space for administrative functions in Las Vegas, Nevada that expires in 2028 and in Northbrook, Illinois that expires in 2020. In addition, our vacation ownership business leases approximately 160 marketing and sales offices, of which, approximately 131 are located throughout the U.S., 16 are located in Australia, four are located in the Caribbean, three are located in Mexico, three are located in Thailand, one is located in Fiji, one is located in New Zealand and one is located in the Philippines. All leases that are due to expire in 2019 are presently under review related to our ongoing requirements.

Exchange & Rentals

Our exchange and rentals business has its main corporate operations in Orlando, Florida pursuant to several leases which begin to expire in 2025, and Indianapolis, Indiana; an owned location. The business also owns 22 properties, of which 19 are located in the U.S., one in the United Kingdom, one in Canada and one in Mexico. It also has 108 leased offices, of which 81 are located in North America, ten in Latin America, nine in Europe, five in Asia Pacific and three in Africa. Such leases have expiration dates between 2019 through 2035. All leases that are due to expire in 2019 are presently under review related to our ongoing requirements.

ITEM 3. LEGAL PROCEEDINGS

We are involved in various claims and lawsuits arising in the ordinary course of business, none of which, in the opinion of management, is expected to have a material adverse effect on our results of operations or financial condition. See Note 19—*Commitments and Contingencies* to the Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K for a description of claims and legal actions arising in the ordinary course of our business and Note 27—*Transactions with Former Parent and Former Subsidiaries* to the Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K for a description of our obligations regarding Cendant contingent litigation, matters related to Wyndham Hotels and matters related to the European vacation rentals business.

ITEM 4. MINE SAFETY DISCLOSURES

None.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Price of Common Stock

Our common stock is listed on the New York Stock Exchange ("NYSE") under the symbol "WYND", formerly "WYN" prior to the spin-off of the hotel business on May 31, 2018. As of January 31, 2019, the number of stockholders of record was 4,930. The equity plan compensation information called for by Item 201(d) of Regulation S-K is set forth in Item 12 of Part III of this Form 10-K under the heading "Equity Compensation Plan Information as of December 31, 2018."

Issuer Purchases of Equity Securities

Below is a summary of our Wyndham Destinations common stock repurchases by month for the quarter ended December 31, 2018:

ISSUER PURCHASES OF EQUITY SECURITIES

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plan	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Publicly Announced Plan[b]
October 2018 (October 1-31)	851,500	$ 37.37	851,500	$ 884,366,330
November 2018 (November 1-30)	786,279	42.01	786,279	851,332,419
December 2018[a] (December 1-31)	945,831	37.23	945,831	816,116,847
Total [a]	**2,583,610**	**$ 38.73**	**2,583,610**	**$ 816,116,847**

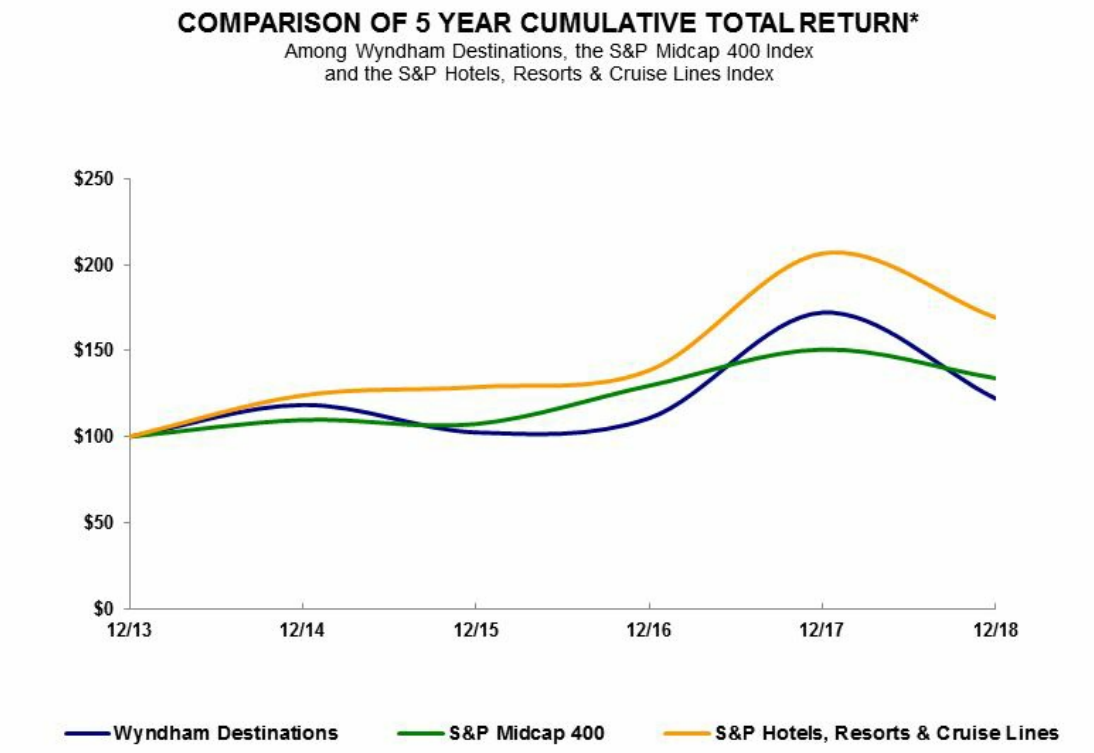
(a) Includes 61,067 shares purchased for which the trade date occurred in December 2018 while settlement occurred in January 2019.

(b) On August 20, 2007, our Board authorized the repurchase of the Company's common stock (the "Share Repurchase Program"). Under the Share Repurchase Program, the Company is authorized to repurchase shares through open market purchases, privately-negotiated transactions or otherwise in accordance with applicable federal securities laws, including through Rule 10b5-1 trading plans and under Rule 10b-18 of the Exchange Act. The Share Repurchase Program has no time limit and may be suspended or discontinued completely at any time. See Share Repurchase Program section included in Item 7 of this Annual Report on Form 10-K for further information on the Share Repurchase Program. The Board has since increased the capacity of the Share Repurchase Program eight times, most recently on October 23, 2017 by $1.0 billion, bringing the total authorization under the program to $6.0 billion. Proceeds received from stock option exercises have increased the repurchase capacity by $78 million since the inception of this program. Under our current and prior stock repurchase plans, the total authorization is $6.8 billion.

Stock Performance Graph

The Stock Performance Graph is not deemed filed with the SEC and shall not be deemed incorporated by reference into any of our prior or future filings made with the SEC.

The following Stock Performance Graph compares the cumulative total stockholder return of our common stock against the cumulative total returns of the Standard & Poor's Rating Services ("S&P") Midcap 400 index and the S&P Hotels, Resorts & Cruise Lines index for the period from December 31, 2013 to December 31, 2018. The graph assumes that $100 was invested on December 31, 2013 and all dividends and other distributions were reinvested.



Cumulative Total Return

	12/13	12/14	12/15	12/16	12/17	12/18
Wyndham Destinations	**100.00**	**118.51**	**102.49**	**110.78**	**172.17**	**122.20**
S&P Midcap 400	**100.00**	**109.77**	**107.38**	**129.65**	**150.71**	**134.01**
S&P Hotels, Resorts & Cruise Lines	**100.00**	**124.06**	**128.85**	**138.54**	**206.55**	**169.24**

The stock price performance included in this graph is not necessarily indicative of future stock price performance.

ITEM 6. SELECTED FINANCIAL DATA

	As of or For the Year Ended December 31,				
	2018	2017	2016	2015	2014 (a)
Income Statement Data (in millions):					
Net revenues	$ 3,931	$ 3,806	$ 3,692	$ 3,657	$ 3,498
Expenses					
Operating and other (b)	3,051	3,000	2,907	2,888	2,777
Separation and related costs	223	26	—	—	—
Asset impairments	(4)	205	—	—	7
Depreciation and amortization	138	136	127	119	119
Operating income	523	439	658	650	595
Other (income), net	(38)	(28)	(21)	(15)	(8)
Interest expense	170	155	133	122	110
Early extinguishment of debt	—	—	11	—	—
Interest (income)	(5)	(6)	(7)	(8)	(8)
Income before income taxes	396	318	542	551	501
Provision/(benefit) for income taxes	130	(328)	190	173	232
Income from continuing operations	266	646	352	378	269
(Loss)/income from operations of discontinued businesses, net of income taxes	(50)	209	260	229	258
Income on disposal of discontinued business, net of income taxes	456	—	—	—	—
Net income	672	855	612	607	527
Net income attributable to noncontrolling interest	—	(1)	(1)	—	—
Net income attributable to Wyndham Destinations shareholders	$ 672	$ 854	$ 611	$ 607	$ 527
Per Share Data					
Basic earnings per share					
Continuing operations	$ 2.69	$ 6.26	$ 3.19	$ 3.21	$ 2.14
Discontinued operations	4.11	2.03	2.37	1.94	2.06
	$ 6.80	$ 8.29	$ 5.56	$ 5.15	$ 4.20
Basic weighted average shares outstanding (in millions)	98.9	103.0	109.9	118.0	125.3
Diluted earnings per share					
Continuing operations	$ 2.68	$ 6.22	$ 3.17	$ 3.18	$ 2.12
Discontinued operations	4.09	2.02	2.35	1.92	2.04
	$ 6.77	$ 8.24	$ 5.52	$ 5.10	$ 4.16
Diluted weighted average shares outstanding (in millions)	99.2	103.7	110.6	119.0	126.6
Dividends					
Cash dividends declared per share	$ 1.89	$ 2.32	$ 2.00	$ 1.68	$ 1.40
Balance Sheet Data (in millions):					
Securitized assets (c)	$ 3,028	$ 2,680	$ 2,601	$ 2,576	$ 2,629
Total assets	7,158	10,450	9,866	9,618	9,612
Non-recourse vacation ownership debt (d)	2,357	2,098	2,141	2,106	2,139
Debt (d)	2,881	3,908	3,299	2,997	2,793
Total equity	$ (569)	$ 774	$ 633	$ 864	$ 1,170
Operating Statistics:					
Vacation Ownership					
Gross VOI sales (in 000s)	$ 2,271,000	$ 2,138,000	$ 2,007,000	$ 1,960,000	$ 1,889,000
Tours (in 000s)	904	869	819	801	794
Volume Per Guest ("VPG")	$ 2,392	$ 2,345	$ 2,324	$ 2,326	$ 2,257
Exchange & Rentals					
Average number of members (in 000s)	3,847	3,799	3,852	3,831	3,765
Exchange revenue per member	$ 171.04	$ 176.74	$ 172.56	$ 173.59	$ 177.12

(a) Fiscal year 2014 does not reflect the adoption of the new accounting standard related to revenue from contracts with customers. See Note 2—*Summary of Significant Accounting Policies* to the Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K for additional information regarding the adoption of this guidance.

(b) Includes operating, cost of VOIs, consumer financing interest, marketing, restructuring, and general and administrative expenses.

(c) Represents the portion of gross vacation ownership contract receivables, securitization restricted cash and related assets that collateralize our non-recourse vacation ownership debt. Refer to Note 16—*Variable Interest Entities* to the Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K for further details.

(d) Reflects the impact of the adoption of the new accounting standards related to the presentation of debt issuance costs during 2016.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

BUSINESS AND OVERVIEW

We are a global provider of hospitality services and products and operate our business in the following two segments:

- **Vacation Ownership**—develops, markets and sells vacation ownership interests ("VOIs") to individual consumers, provides consumer financing in connection with the sale of VOIs and provides property management services at resorts.
- **Exchange & Rentals**—provides vacation exchange services and products to owners of VOIs and manages and markets vacation rental properties primarily on behalf of independent owners.

European Vacation Rentals Business

We sold our European vacation rentals business on May 9, 2018. This sale resulted in final net proceeds of $1.06 billion and an after-tax gain of $456 million, net of $139 million in taxes. We have provided post-closing credit support in order to ensure that Platinum Equity, LLC (the "Buyer") meets the requirements of certain service providers and regulatory authorities. The results of operations of this business have been classified as discontinued operations on the Consolidated Financial Statements. For further details see Note 6—*Discontinued Operations* to the Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K.

Hotel Business Spin-off

We completed the spin-off of our hotel business on May 31, 2018, which resulted in our operations being held by two separate, publicly traded companies. The two public companies have entered into long-term exclusive license agreements to retain their affiliations with one of the industry's top-rated loyalty programs, Wyndham Rewards, as well as to continue to collaborate on inventory-sharing and customer cross-sell initiatives. This transaction is expected to result in enhanced strategic and management focus on the core business and growth of each company; more efficient capital allocation, direct access to capital and expanded growth opportunities for each company; the ability to implement a tailored approach to recruiting and retaining employees at each company; improved investor understanding of the business strategy and operating results of each company; and enhanced investor choice by offering investment opportunities in separate entities. This transaction was effected through a pro rata distribution of the new hotel entity's stock to existing Wyndham Destinations shareholders. The new hotel company was named Wyndham Hotels & Resorts, Inc. ("Wyndham Hotels"). As a result of the Spin-off, we have classified the results of operations of our hotel business as discontinued operations on the Consolidated Financial Statements. For further details see Note 6—*Discontinued Operations* to the Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K.

North American Vacation Rentals Business

During 2018, the Company decided to explore strategic alternatives for its North American vacation rentals business and during the fourth quarter commenced activities to facilitate the sale of this business. The assets and liabilities of this business have been classified as held-for-sale as of December 31, 2018. This business does not meet the criteria to be classified as a discontinued operation; therefore, the results were reflected within continuing operations on the Consolidated Statements of Income. See Note 7—*Held-for-Sale Business* to the Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K for further details.

Tax Cuts and Jobs Act

On December 22, 2017 the U.S. enacted the Tax Cuts and Jobs Act. The new law, which is also commonly referred to as "U.S. tax reform", significantly changed U.S. corporate income tax laws by, among other changes, imposing a one-time mandatory tax on previously deferred earnings of foreign subsidiaries, reducing the U.S. corporate income tax rate from 35% to 21% starting on January 1, 2018, creating a territorial tax system which generally eliminates U.S. federal income taxes on dividends from foreign subsidiaries, eliminating or limiting the deduction of certain expenses, and requiring a minimum tax on earnings generated by foreign subsidiaries. This new law significantly impacts our effective tax rate, cash tax expenses and/or deferred income tax balances.

La Quinta Acquisition

La Quinta Holdings Inc. ("La Quinta"). In January 2018, the Company entered into an agreement with La Quinta to acquire its hotel franchising and management businesses for $1.95 billion. At the time we entered into this agreement, we obtained financing commitments of $2.0 billion in the form of an unsecured bridge term loan, which was subsequently replaced with net

cash proceeds from the issuance of $500 million unsecured notes, a $1.6 billion term loan and a $750 million revolving credit facility, which was undrawn. This acquisition closed on May 30, 2018, prior to the hotel business spin-off on May 31, 2018. Upon completion of the Spin-off, La Quinta became a wholly-owned subsidiary of Wyndham Hotels and the associated debt was transferred to Wyndham Hotels.

RESULTS OF OPERATIONS

Vacation Ownership

The Company develops, markets and sells VOIs to individual consumers, provides property management services at resorts and provides consumer financing in connection with the sale of VOIs. The Company's sales of VOIs are either cash sales or developer-financed sales. Developer financed sales are typically collateralized by the underlying VOI. Revenue is recognized on VOI sales upon transfer of control, which is defined as the point in time when a binding sales contract has been executed, the financing contract has been executed for the remaining transaction price, the statutory rescission period has expired and the transaction price has been deemed to be collectible.

For developer-financed sales, the Company reduces the VOI sales transaction price by an estimate of uncollectible consideration at the time of the sale. The Company's estimates of uncollectible amounts are based largely on the results of the Company's static pool analysis which relies on historical payment data by customer class.

In connection with entering into a VOI sale, the Company may provide its customers with certain non-cash incentives, such as credits for future stays at its resorts. For those VOI sales, the Company bifurcates the sale and allocates the sales price between the VOI sale and the non-cash incentive. Non-cash incentives generally have expiration periods of 18 months or less and are recognized at a point in time upon transfer of control.

The Company provides day-to-day property management services including oversight of housekeeping services, maintenance and certain accounting and administrative services for property owners' associations and clubs. These services may also include reservation and resort renovation activities. Such agreements are generally for terms of one year or less, and are renewed automatically on an annual basis. The Company's management agreements contain cancellation clauses, which allow for either party to cancel the agreement, by either a majority board vote or a majority vote of non-developer interests. The Company receives fees for such property management services which are collected monthly in advance and are based upon total costs to operate such resorts (or as services are provided in the case of resort renovation activities). Fees for property management services typically approximate 10% of budgeted operating expenses. The Company is entitled to consideration for reimbursement of costs incurred on behalf of the property owners' association in providing the management services ("reimbursable revenue"). These reimbursable costs principally relate to the payroll costs for management of the associations, club and resort properties where the Company is the employer and are reflected as a component of Operating expenses on the Consolidated Statements of Income. The Company reduces its management fees for amounts it has paid to the property owners' association that reflect maintenance fees for VOIs for which it retains ownership, as the Company has concluded that such payments are consideration payable to a customer.

Property management fee revenues are recognized when the services are performed and are recorded as a component of Service and membership fees on the Consolidated Statements of Income. Property management revenues, which are comprised of management fee revenue and reimbursable revenue, were $665 million, $649 million and $623 million during 2018, 2017 and 2016, respectively. Management fee revenues were $314 million, $285 million and $273 million during 2018, 2017 and 2016, respectively. Reimbursable revenues were $351 million, $364 million and $350 million during 2018, 2017 and 2016, respectively. One of the associations that the Company manages paid its Exchange & Rentals segment $29 million for exchange services during 2018 and 2017, and $26 million during 2016.

Within our Vacation Ownership segment, we measure operating performance using the following key operating statistics: (i) gross VOI sales including Fee-for-Service sales before the effect of loan loss provisions, (ii) tours, which represents the number of tours taken by guests in our efforts to sell VOIs and (iii) volume per guest ("VPG"), which represents revenue per guest and is calculated by dividing the gross VOI sales (excluding tele-sales upgrades, which are a component of upgrade sales) by the number of tours.

Exchange & Rentals

As a provider of vacation exchange services, the Company enters into affiliation agreements with developers of vacation ownership properties to allow owners of VOIs to trade their intervals for intervals at other properties affiliated with the Company's vacation exchange brands and, for some members, for other leisure-related services and products. Additionally, as a

marketer of vacation rental properties, generally the Company enters into contracts for exclusive periods of time with property owners to market the rental of such properties to rental customers.

The Company's vacation exchange brands derive a majority of revenues from membership dues and fees for facilitating members' trading of their intervals. Revenues from membership dues represent the fees paid by members or affiliated clubs on their behalf. The Company recognizes revenues from membership dues paid by the member on a straight-line basis over the membership period as the performance obligations are fulfilled by providing access to travel-related products and services. Consideration paid by affiliated clubs for memberships are recognized as revenue over the term of the contract with the affiliated club in proportion to the estimated average monthly member count. Such estimates are adjusted periodically for changes in the actual and forecasted member activity. For additional fees, members have the right to exchange their intervals for intervals at other properties affiliated with the Company's vacation exchange networks and, for certain members, for other leisure-related services and products. Fees for facilitating exchanges are recognized as revenue, net of expected cancellations, when these transactions have been confirmed to the member.

The Company's vacation exchange brands also derive revenues from: (i) additional services, programs with affiliated resorts, club servicing and loyalty programs and (ii) additional exchange-related products that provide members with the ability to protect trading power or points, extend the life of deposits, and combine two or more deposits for the opportunity to exchange into intervals with higher trading power. Other vacation exchange related product fees are deferred and recognized as revenue upon the occurrence of a future exchange, other related transaction or event.

The Company's vacation rental brands derive revenue from fees associated with the rental of vacation rental properties managed and marketed by the Company on behalf of independent owners. The Company remits the rental fee received from the renter to the independent owner, net of the Company's agreed-upon fee. The related revenue from such fees, net of expected refunds, is recognized over the renter's stay. The Company's vacation rental brands also derive revenues from additional services delivered to independent owners, vacation rental guests, and property owners' associations that are generally recognized when the service is delivered.

Within our Exchange & Rentals segment, we measure operating performance using the following key operating statistics: (i) average number of vacation exchange members, which represents members in our vacation exchange programs who pay annual membership dues and are entitled, for additional fees, to exchange their intervals for intervals at other properties affiliated with our exchange network and, for certain members, for other leisure-related services and products and (ii) exchange revenue per member, which represents total revenue from fees associated with memberships, exchange transactions, member-related rentals and other services for the year divided by the average number of vacation exchange members during the year.

Other Items

The Company records property management services revenues and RCI Elite Rewards revenues for its Vacation Ownership and Exchange & Rentals segments in accordance with the guidance for reporting revenues gross as a principal versus net as an agent, which requires that these revenues be recorded on a gross basis.

Discussed below are our consolidated results of operations and the results of operations for each of our reportable segments. These reportable segmentsrepresent the Company's operating segments for which discrete financial information is available and which are utilized on a regular basis by its chief operating decision maker to assess performance and to allocate resources. In identifying its reportable segments, the Company also considers the nature of services provided by its operating segments. The Company has updated its segment reporting during the second quarter 2018 to include Adjusted EBITDA, a non-GAAP measure, whereas in the past EBITDA was presented. Following the completion of the spin-off of Wyndham Hotels and the sale of the European vacation rentals business, management uses net revenues and Adjusted EBITDA to assess the performance of the reportable segments. Adjusted EBITDA is defined by the Company as Net income before Depreciation and amortization, Interest expense (excluding Consumer financing interest), Early extinguishment of debt, Interest income (excluding Consumer financing revenues) and Income taxes, each of which is presented on the Consolidated Statements of Income. Adjusted EBITDA also excludes stock-based compensation costs, separation and restructuring costs, transaction costs, impairments, and items that meet the conditions of unusual and/or infrequent. The Company believes that Adjusted EBITDA is a useful measure of performance for its segments which, when considered with GAAP measures, the Company believes it gives a more complete understanding of its operating performance. The Company's presentation of Adjusted EBITDA may not be comparable to similarly-titled measures used by other companies.

OPERATING STATISTICS

The table below presents our operating statistics for the years endedDecember 31, 2018 and 2017. These operating statistics are the drivers of our revenue and therefore provide an enhanced understanding of our business. Refer to the Results of Operations section for a discussion on how these operating statistics affected our business for the periods presented.

	Year Ended December 31,		
	2018	2017	% Change
Vacation Ownership			
Gross VOI sales (in 000s) [a] [g]	$ 2,271,000	$ 2,138,000	6.2
Tours (in 000s) [b]	904	869	4.0
VPG [c]	$ 2,392	$ 2,345	2.0
Exchange & Rentals [d]			
Average number of members (in 000s) [e]	3,847	3,799	1.3
Exchange revenue per member [f]	$ 171.04	$ 176.74	(3.2)

(a) Represents total sales of VOIs, including sales under the Fee-for-Service program, before the effect of loan loss provisions. We believe that Gross VOI sales provide an enhanced understanding of the performance of our vacation ownership business because it directly measures the sales volume of this business during a given reporting period.

(b) Represents the number of tours taken by guests in our efforts to sell VOIs.

(c) VPG is calculated by dividing Gross VOI sales (excluding tele-sales upgrades, which are non-tour upgrade sales) by the number of tours. Tele-sales upgrades were $108 million and $102 million during 2018 and 2017, respectively. We have excluded tele-sales upgrades in the calculation of VPG because tele-sales upgrades are generated by a different marketing channel. We believe that VPG provides an enhanced understanding of the performance of our vacation ownership business because it directly measures the efficiency of this business's tour selling efforts during a given reporting period.

(d) Includes impact of acquisitions from the acquisition date forward.

(e) Represents members in our vacation exchange programs who paid annual membership dues as of the end of the period or who are within the allowed grace period.

(f) Represents total annualized revenues generated from fees associated with memberships, exchange transactions, member-related rentals and other servicing for the period divided by the average number of vacation exchange members during the period.

(g) The following table provides a reconciliation of Gross VOI sales to vacation ownership interest sales for the year ended December 31, (in millions):

	2018	2017
Gross VOI sales	$ 2,271	$ 2,138
Less: Fee-for-Service sales [1]	(46)	(34)
Gross VOI sales, net of Fee-for-Service sales	2,225	2,104
Less: Loan loss provision	(456)	(420)
Vacation ownership interest sales	$ 1,769	$ 1,684

(1) Represents total sales of VOIs through our Fee-for-Service program designed to offer turn-key solutions for developers or banks in possession of newly developed inventory, which we will sell for a commission fee through our extensive sales and marketing channels. Fee-for-Service commission revenues were $31 million and $24 million during 2018 and 2017, respectively. These commissions are reported within Service and membership fees on the Consolidated Statements of Income.

Year Ended December 31, 2018 vs. Year Ended December 31, 2017

Our consolidated results are as follows:

	Year Ended December 31,		
	2018	2017	Favorable/ (Unfavorable)
Net revenues	$ 3,931	$ 3,806	$ 125
Expenses	3,408	3,367	(41)
Operating income	523	439	84
Other (income), net	(38)	(28)	10
Interest expense	170	155	(15)
Interest (income)	(5)	(6)	(1)
Income before income taxes	396	318	78
Provision/(benefit) for income taxes	130	(328)	(458)
Income from continuing operations	266	646	(380)
(Loss)/income from operations of discontinued businesses, net of income taxes	(50)	209	(259)
Income on disposal of discontinued business, net of income taxes	456	—	456
Net income	672	855	(183)
Net income attributable to noncontrolling interest	—	(1)	1
Net income attributable to Wyndham Destinations shareholders	$ 672	$ 854	$ (182)

Net revenues increased $125 million (3.3%) during 2018 compared with 2017. Foreign currency translation unfavorably impacted net revenues by $7 million. Excluding foreign currency translation, the increase in net revenues was primarily the result of:

- $141 million of higher revenues in our vacation ownership business primarily due to an increase in net VOI sales, consumer financing and property management revenues; partially offset by
- $8 million decrease in revenues in our exchange and rentals business primarily driven by lower inventory levels and a change in customer mix.

Expenses increased $41 million (1.2%) during 2018 compared with 2017. Foreign currency translation favorably impacted expenses by $6 million. Excluding foreign translation currency, the increase in expenses was primarily the result of:

- $197 million increase in separation costs related to the spin-off of Wyndham Hotels;
- $70 million of increased expenses from normal operating activities related to higher revenues; and
- $12 million of incremental costs due to acquisitions at our Exchange & Rentals segment; partially offset by
- $209 million decrease in non-cash impairment charges primarily related to the 2017 write-down of undeveloped VOI land and VOI inventory in Saint Thomas, U.S. Virgin Islands at our Vacation Ownership segment as a result of hurricanes; and
- $28 million of cost savings related to overhead and operations due to cost containment initiatives at our Exchange & Rental segment.

Other income, net of other expense increased $10 million during 2018 compared with 2017 due to a favorable value added tax refund and higher business interruption insurance claims received in 2018 related to 2017 hurricanes; partially offset by a non-cash gain related to the Love Home Swap acquisition in 2017 resulting from a re-measurement of our original investment to fair value.

Interest expense increased $15 million during 2018 compared with 2017 primarily due to an increase in the average outstanding revolving credit facility balances, a less favorable debt mix and higher interest rates.

Our effective tax rate in 2018 was a provision of 32.8%. Our effective rate differs from the 2018 statutory U.S. Federal income tax rate of 21.0% primarily due to an increase in the valuation allowance on the Company's deferred tax assets. Our effective tax rate in 2017 was a benefit of 103.1%, which differs from the 2017 statutory U.S. Federal income tax rate of 35.0% primarily due to the net benefit from the impact of the U.S. enactment of the Tax Cuts and Jobs Act.

Our results of operations reflect a negative impact from the 2018 hurricanes, Florence and Michael, and the lingering effects of the 2017 hurricane, Maria. We estimate that the 2018 hurricanes reduced revenues, Adjusted EBITDA, and net income by $23 million, $16 million, and $11 million, respectively. We estimate that hurricane Maria reduced 2018 revenues, Adjusted EBITDA, and net income by $12 million, $11 million, and $7 million, respectively.

During 2018, there was a $50 million loss from operations of discontinued businesses, net of income taxes, compared to income of $209 million during 2017. The primary drivers of the $259 million change were the spin-off of the hotel business and the sale of the European vacation rentals business in May 2018.

Income on disposal of discontinued business, net of income taxes was $456 million during 2018, representing the gain on the sale of the European vacation rentals business.

As a result of these items, net income attributable to Wyndham Destinations shareholders decreased $182 million (21.3%) as compared with 2017.

Following is a discussion of the 2018 results of each of our segments compared to 2017:

	Year Ended December 31,	
Net revenues	**2018**	**2017**
Vacation Ownership	$ 3,016	$ 2,881
Exchange & Rentals	918	927
Total reportable segments	3,934	3,808
Corporate and other [a]	(3)	(2)
Total Company	$ 3,931	$ 3,806

	Year Ended December 31,	
Reconciliation of Net income to Adjusted EBITDA	**2018**	**2017**
Net income attributable to Wyndham Destinations shareholders	$ 672	$ 854
Net income attributable to noncontrolling interest	—	1
(Income) on disposal of discontinued business, net of income taxes	(456)	—
Loss/(income) from operations of discontinued businesses, net of income taxes	50	(209)
Provision/(benefit) for income taxes	130	(328)
Depreciation and amortization	138	136
Interest expense	170	155
Interest (income)	(5)	(6)
Separation and related costs [b]	223	26
Restructuring [c]	16	14
Asset impairments	(4)	205
Legacy items [d]	1	(6)
Acquisition gain, net	—	(13)
Stock-based compensation	23	53
Value-added tax refund	(16)	—
Adjusted EBITDA	$ 942	$ 882

	Year Ended December 31,	
Adjusted EBITDA	**2018**	**2017**
Vacation Ownership	$ 731	$ 709
Exchange & Rentals	278	268
Total reportable segments	1,009	977
Corporate and other [a]	(67)	(95)
Total Company	$ 942	$ 882

(a) Includes the elimination of transactions between segments.

(b) Includes $105 million and $4 million of stock based compensation expenses for the years ended 2018 and 2017, respectively.

(c) Includes $1 million of stock-based compensation expense for the year ended 2017.

(d) Represents the net benefit from the resolution of and adjustment to certain contingent liabilities resulting from the Company's separation from Cendant.

Vacation Ownership

Net revenues increased $135 million (5%) and Adjusted EBITDA increased $22 million (3%) during 2018 compared with 2017. Foreign currency translation unfavorably impacted net revenues by $6 million and Adjusted EBITDA by $2 million. Increases in net revenues were primarily driven by:

- $122 million increase in gross VOI sales, net of Fee-for-Service sales, primarily driven by a 4% increase in tours, resulting from our continued focus on new owner generation, and a 2% increase in VPG; partially offset by a $37 million increase in our provision for loan losses due to higher gross VOI sales and the impact of higher defaults;

- $28 million increase in consumer financing revenues due to a higher weighted average interest rate earned on a larger average portfolio balance;
- $15 million increase in property management revenues primarily due to higher management fees; and
- $7 million increase in commission revenues as a result of higher Fee-for-Service VOI sales.

In addition to the drivers mentioned above, Adjusted EBITDA was further impacted by:

- $65 million increase in marketing costs due to our continued focus on adding new owners, who typically carry a higher cost per tour, and an increase in licensing fees for the use of the Wyndham tradename;
- $41 million of higher sales and commission expenses primarily due to higher gross VOI sales;
- $31 million increase in the cost of VOIs sold primarily driven by higher gross VOI sales;
- $15 million increase in consumer financing interest expense resulting from an increase in the weighted average interest rate on our non-recourse debt; and
- $6 million increase in commission expenses as a result of higher Fee-for-Service VOI sales.

Such decreases in Adjusted EBITDA were partially offset by:

- $31 million decrease in maintenance fees on unsold inventory;
- $4 million decrease in general and administrative expenses primarily associated with lower employee-related costs and legal settlement expenses; partially offset by information technology and advertising initiatives;
- $4 million increase in ancillary sales and marketing activities; and
- $3 million received from settlement of business interruption claims.

Exchange & Rentals

Net revenues decreased $9 million (1.0%) and Adjusted EBITDA increased $10 million (3.7%) during the twelve months ended December 31, 2018 compared with the same period during 2017. Foreign currency unfavorably impacted net revenues by $1 million and favorably impacted Adjusted EBITDA by $4 million.

Decreases in net revenues excluding the impact of currency were primarily driven by:

- $12 million net decrease in exchange and related service revenues, inclusive of $9 million incremental acquisition revenue, primarily driven by lower inventory levels and a change in customer mix; and
- $2 million decrease in net revenues generated from vacation rental transactions and related services; partially offset by
  $6 million increase in ancillary revenues, inclusive of $2 million incremental acquisition revenue, primarily driven by homeowner services and transition service agreement fees.

In addition to the drivers mentioned above, 2018 Adjusted EBITDA, excluding the impact of currency, was further impacted by:

- $28 million of cost savings related to overhead and operations due to cost containment initiatives; partially offset by
- $12 million of incremental costs due to acquisitions, and
- $4 million negative net impact from the absence of legal settlement proceeds in 2018 compared to proceeds received in 2017.

Corporate and other

Corporate and other Adjusted EBITDA increased $28 million during the twelve months ended December 31, 2018 compared with the same period during 2017. Foreign currency unfavorably impacted Adjusted EBITDA by $3 million. The remaining increase in Adjusted EBITDA was primarily due to lower employee-related costs as a result of restructuring initiatives.

OPERATING STATISTICS

The following table presents our operating statistics for the years endedDecember 31, 2017 and 2016. See Results of Operations section for a discussion as to how these operating statistics affected our business for the periods presented.

	Year Ended December 31,		
	2017	2016	% Change
Vacation Ownership			
Gross VOI sales (in 000s)[a] [g]	$ 2,138,000	$ 2,007,000	6.5
Tours (in 000s)[b]	869	819	6.1
VPG [c]	$ 2,345	$ 2,324	0.9
Exchange & Rentals [d]			
Average number of members (in 000s) [e]	3,799	3,852	(1.4)
Exchange revenue per member [f]	$ 176.74	$ 172.56	2.4

(a) Represents total sales of VOIs, including sales under the Fee-for-Service program, before the effect of loan loss provisions. We believe that Gross VOI sales provide an enhanced understanding of the performance of our vacation ownership business because it directly measures the sales volume of this business during a given reporting period.

(b) Represents the number of tours taken by guests in our efforts to sell VOIs.

(c) VPG is calculated by dividing Gross VOI sales (excluding tele-sales upgrades, which are non-tour upgrade sales) by the number of tours. Tele-sales upgrades were $102 million and $103 million during 2017 and 2016, respectively. We have excluded non-tour upgrade sales in the calculation of VPG because non-tour upgrade sales are generated by a different marketing channel. We believe that VPG provides an enhanced understanding of the performance of our vacation ownership business because it directly measures the efficiency of the business's tour selling efforts during a given reporting period.

(d) Includes impact of acquisitions from the acquisition date forward.

(e) Represents members in our vacation exchange programs who paid annual membership dues as of the end of the period or within the allowed grace period.

(f) Represents total annualized revenues generated from fees associated with memberships, exchange transactions, member-related rentals and other servicing for the period divided by the average number of vacation exchange members during the period.

(g) The following table provides a reconciliation of Gross VOI sales to vacation ownership interest sales for the year ended December 31 (in millions):

	2017	2016
Gross VOI sales	$ 2,138	$ 2,007
Less: Fee-for-Service sales [1]	(34)	(64)
Gross VOI sales, net of Fee-for-Service sales	2,104	1,943
Less: Loan loss provision	(420)	(342)
Vacation ownership interest sales	$ 1,684	$ 1,601

(1) Represents total sales of VOIs through our Fee-for-Service program designed to offer turn-key solutions for developers or banks in possession of newly developed inventory, which we will sell for a commission fee through our extensive sales and marketing channels. Fee-for-Service commission revenues were $24 million and $46 million during 2017 and 2016, respectively.

Year Ended December 31, 2017 vs. Year Ended December 31, 2016

Our consolidated results are as follows:

	Year Ended December 31,		
	2017	2016	Favorable/(Unfavorable)
Net revenues	$ 3,806	$ 3,692	$ 114
Expenses	3,367	3,034	(333)
Operating income	439	658	(219)
Other (income), net	(28)	(21)	7
Interest expense	155	133	(22)
Early extinguishment of debt	—	11	11
Interest (income)	(6)	(7)	(1)
Income before income taxes	318	542	(224)
(Benefit)/provision for income taxes	(328)	190	518
Income from continuing operations	646	352	294
Income from operations of discontinued businesses, net of income taxes	209	260	(51)
Net income	855	612	243
Net income attributable to noncontrolling interest	(1)	(1)	—
Net income attributable to Wyndham Destinations shareholders	$ 854	$ 611	$ 243

Net revenues increased $114 million (3.1%) during 2017 compared with 2016. Foreign currency favorably impacted net revenues by $9 million. Excluding foreign currency impact, the increase in net revenues was primarily the result of:

- $101 million of higher revenues in our vacation ownership business primarily due to an increase in net VOI sales, property management and consumer financing revenues;
- $8 million of higher revenues in our exchange and rentals business primarily due to exchange and related service revenues and acquisitions.

Expenses increased $333 million (11.0%) during 2017 compared with 2016. Foreign currency unfavorably impacted expenses by $8 million. Excluding foreign currency impact, the increase in expenses was primarily the result of:

- $205 million of non-cash impairment charges primarily related to a write-down of undeveloped VOI land and a write-down of VOI inventory in the Saint Thomas, U.S. Virgin Islands resulting from the impact of the 2017 hurricanes in our vacation ownership business;
- $108 million of higher expenses from operations primarily related to the revenue increases;
- $26 million of separation and related costs related to the hotel spin-off; and
- $9 million increase in depreciation and amortization resulting from the impact of property and equipment additions; partially offset by
- $24 million foreign exchange loss related to the devaluation of the Venezuela exchange rate during 2016.

Other income, net increased $7 million during 2017 compared with 2016 due to a non-cash gain related to the Love Home Swap acquisition at our Exchange & Rentals segment resulting from a re-measurement of our original investment to fair value.

Interest expense increased $22 million during 2017 compared with 2016 primarily due to the impact of senior unsecured notes issued during March 2017; partially offset by the repayment of our 2.95% senior unsecured notes during March 2017.

Our effective tax rate in 2017 was a benefit of 103.1%. Our effective rate differs from the statutory U.S. Federal income tax rate of 35.0% primarily due to the net benefit of $407 million from the impact of the U.S. enactment of the Tax Cuts and Jobs Act. Our effective tax rate in 2016 was a provision of 35.1%.

Our results of operations reflect a negative impact from hurricanes Harvey, Irma, and Maria in 2017. We estimate that the hurricanes reduced our revenues, Adjusted EBITDA and net income by $32 million, $20 million and $13 million, respectively.

Income from discontinued operations, net of income taxes decreased $51 million during 2017 compared with 2016 primarily from costs associated with the hotel spin-off and the sale of the European vacation rentals business.

As a result of these items, net income attributable to Wyndham Destinations shareholders increased $243 million (39.8%) as compared with 2016.

Following is a discussion of the 2017 results of each of our segments and Corporate and Other compared to 2016:

	Year Ended December 31,	
Net revenues	**2017**	**2016**
Vacation Ownership	$ 2,881	$ 2,774
Exchange & Rentals	927	916
Total reportable segments	3,808	3,690
Corporate and other [a]	(2)	2
Total Company	$ 3,806	$ 3,692

	Year Ended December 31,	
Reconciliation of Net income to Adjusted EBITDA	**2017**	**2016**
Net income attributable to Wyndham Destinations shareholders	$ 854	$ 611
Net income attributable to noncontrolling interest	1	1
(Income) from operations of discontinued businesses, net of income taxes	(209)	(260)
(Benefit)/provision for income taxes	(328)	190
Depreciation and amortization	136	127
Interest expense	155	133
Early extinguishment of debt [b]	—	11
Interest (income)	(6)	(7)
Venezuela currency devaluation	—	24
Executive departure costs	—	6
Separation and related costs [c]	26	—
Restructuring [d]	14	12
Asset impairments	205	—
Legacy items [e]	(6)	(11)
Acquisition gain, net	(13)	—
Stock-based compensation	53	55
Adjusted EBITDA	$ 882	$ 892

	Year Ended December 31,	
Adjusted EBITDA	**2017**	**2016**
Vacation Ownership	$ 709	$ 724
Exchange & Rentals	268	261
Total reportable segments	977	985
Corporate and other [a]	(95)	(93)
Total Company	$ 882	$ 892

(a) Includes the elimination of transactions between segments.

(b) Represents costs incurred for the early repurchase of the remaining portion of our 6.00% senior unsecured notes during 2016.

(c) Includes $4 million of stock based compensation expenses for the year ended 2017.

(d) Includes $1 million of stock-based compensation expense for the year ended 2017.

(e) Represents the net benefit from the resolution of and adjustment to certain contingent liabilities resulting from the Company's separation from Cendant.

Vacation Ownership

Net revenues increased $107 million (4%) and Adjusted EBITDA decreased $15 million (2%), respectively, during 2017 compared with 2016. Foreign currency favorably impacted net revenues by $6 million and Adjusted EBITDA by less than $1 million. Increases in net revenues were primarily driven by:

- $160 million increase in gross VOI sales, net of Fee-for-Service sales, primarily driven by a 6% increase in tours, reflecting our continued focus on new owner generation, and a 0.9% increase in VPG; partially offset by a $78 million increase in our provision for loan losses due to higher gross VOI sales and the impact of third parties encouraging customers to default on their timeshare loans;
- $27 million increase in property management revenues due to higher management fees and reimbursable revenues, and
- $22 million increase in consumer financing revenues due to a higher weighted average interest rate earned on a larger average portfolio balance; partially offset by
- $22 million decrease in commission revenues as a result of lower Fee-for-Service VOI sales as we continue to shift our focus to utilizing our Just-in-Time inventory for VOI sales.

In addition to the drivers mentioned above, Adjusted EBITDA was further impacted by:

- $49 million increase in marketing costs due to our continued focus on adding new owners, who typically carry a higher cost per tour;
- $27 million of higher sales and commission expenses primarily due to higher gross VOI sales;
- $19 million increase in property management expenses;
- $17 million of higher maintenance fees on unsold inventory;
- $15 million of higher employee-related costs;
- $12 million of higher legal settlement expenses; and
- $6 million of lower proceeds from business interruption claims.

Such decreases in Adjusted EBITDA were partially offset by:

- $19 million decrease of commission expenses as a result of lower Fee-for-Service VOI sales; and
- $1 million decrease of consumer financing interest expense resulting from a decrease in the weighted average interest rate on our non-recourse debt.

Exchange & Rentals

Net revenues and Adjusted EBITDA increased $11 million (1%) and $7 million (3%), respectively, in 2017 compared with 2016. Foreign currency translation favorably impacted net revenues and Adjusted EBITDA by $3 million and $1 million, respectively. Increases in net revenues excluding the impact of currency were primarily driven by:

- $4 million increase in exchange and related service revenues primarily driven by an increase in exchange revenue per member, partially offset by a decline in the average number of members; and
- $2 million increase in rental transactions and related services principally due to an increase in average net price per vacation rental.

In addition, Adjusted EBITDA also reflected the absence of $3 million from the favorable settlement of business disruption claims related to the Gulf of Mexico oil spill received during 2016.

Corporate and other

Corporate and other Adjusted EBITDA decreased $2 million during 2017 compared with 2016 primarily due to decreased intercompany revenue partially offset by acquisition-related deal costs incurred in 2016 for which there were no equivalent costs incurred in 2017.

DISCONTINUED OPERATIONS

We sold our European vacation rentals business on May 9, 2018. This sale resulted in final net proceeds of $1.06 billion and an after-tax gain of $456 million, net of $139 million in taxes. We have provided post-closing credit support in order to ensure that Platinum Equity, LLC (the "Buyer") meets the requirements of certain service providers and regulatory authorities. The results of operations of this business have been classified as discontinued operations on the Consolidated Financial Statements. For further details see Note 6—*Discontinued Operations* to the Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K.

We completed the spin-off of our hotel business on May 31, 2018, which resulted in our operations being held by two separate, publicly traded companies. The two public companies have entered into long-term exclusive license agreements to retain their affiliations with one of the industry's top-rated loyalty programs, Wyndham Rewards, as well as to continue to collaborate on inventory-sharing and customer cross-sell initiatives. This transaction is expected to result in enhanced strategic and management focus on the core business and growth of each company; more efficient capital allocation, direct access to capital and expanded growth opportunities for each company; the ability to implement a tailored approach to recruiting and retaining employees at each company; improved investor understanding of the business strategy and operating results of each company; and enhanced investor choice by offering investment opportunities in separate entities. This transaction was effected through a pro rata distribution of the new hotel entity's stock to existing Wyndham Destinations shareholders. The new hotel company was named Wyndham Hotels & Resorts, Inc. As a result of the Spin-off, we have classified the results of operations of our hotel business as discontinued operations on the Consolidated Financial Statements. For further details see Note 6—Discontinued Operations to the Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K.

During 2018, there was a $50 million loss from discontinued operations, net of taxes. Income from discontinued operations, net of taxes was $209 million and $260 million in 2017 and 2016, respectively. Separation and related costs from discontinued operations was $111 million and $40 million in 2018 and 2017, respectively.

SEPARATION AND TRANSACTION COSTS

During 2018, the Company incurred $223 million of expenses in connection with the spin-off of the hotel business which are reflected within continuing operations and include related costs of the Spin-off, of which $217 million were related to stock compensation modification expense, severance and other employee costs offset, in part, by favorable foreign currency. In addition, these costs include certain impairment charges related to the separation including property sold to Wyndham Hotels.

Additionally, during 2018, the Company incurred $111 million of separation related expenses in connection with the hotel spin-off and sale of the European vacation rentals business which are reflected within discontinued operations. These expenses include legal, consulting and auditing fees, stock compensation modification expense, severance and other employee-related costs.

During 2017, the Company incurred $26 million of expenses associated with the planned spin-off of the hotel business and the exploration of strategic alternatives for the European vacation rentals business which are reflected within continuing operations. Additionally, during this same time period the Company incurred $40 million of separation related costs that are included within discontinued operations. These costs include legal, consulting and auditing fees, stock compensation modification expense, severance and other employee-related costs.

RESTRUCTURING PLANS

During 2018, the Company recorded $16 million of charges related to restructuring initiatives, all of which are personnel-related resulting from a reduction of approximately 500 employees. This action was primarily focused on enhancing organizational efficiency and rationalizing operations. The charges consisted of (i) $11 million at the Vacation Ownership segment, (ii) $4 million at the Exchange & Rentals segment, and (iii) $1 million at the Company's corporate operations. During 2018, the Company reduced its restructuring liability by $4 million of cash payments. The remaining 2018 restructuring liability of $12 million is expected to be paid by the end of 2019.

During 2017, the Company recorded $14 million of charges related to restructuring initiatives, all of which were personnel-related resulting from a reduction of approximately 200 employees. The charges consisted of (i) $8 million at its Exchange & Rentals segment which primarily focused on enhancing organizational efficiency and rationalizing its operations, and (ii) $6 million at the Company's corporate operations which focused on rationalizing its sourcing function and outsourcing certain information technology functions. During 2017, the Company reduced its restructuring liability by $11 million, of which $9 million was in cash payments and $1 million was through the issuance of Wyndham stock. During 2018, the Company reduced its restructuring liability by $3 million of cash payments. The 2017 restructuring liability was paid in full as of December 31, 2018.

During 2016, the Company recorded $12 million of charges related to restructuring initiatives, primarily focused on enhancing organizational efficiency and rationalizing existing facilities which included the closure of four vacation ownership sales offices. In connection with these initiatives, the Company initially recorded $8 million of personnel-related costs resulting from a reduction of 450 employees, $4 million at both the Vacation Ownership and the Exchange & Rentals segments. The Vacation Ownership segment also incurred a $2 million non-cash asset impairment charge resulting from the write-off of assets from

sales office closures, and $2 million of facility-related expenses. In both 2016 and 2017, the Company reduced its liability with $5 million of cash payments. During 2018, the Company reduced its liability with $1 million of cash payments. During 2018, the Company reduced its liability with $1 million in cash payments. As of December 31, 2018, the remaining liability of less than $1 million, all of which is related to leased facilities, is expected to be paid by the end of 2020.

We have additional restructuring plans which were implemented prior to 2016. During 2018 the Company reduced its liability for such plans with less than $1 million of cash payments, and $1 million of cash payments in each of 2017 and 2016, respectively. As of December 31, 2018, the remaining liability of less than $1 million, all of which is related to leased facilities, is expected to be paid by 2020.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

Financial Condition

	December 31, 2018	December 31, 2017	Change
Total assets	$ 7,158	$ 10,450	$ (3,292)
Total liabilities	7,727	9,676	(1,949)
Total equity	(569)	774	(1,343)

Total assets decreased $3.29 billion from December 31, 2017 to December 31, 2018 primarily due to:

- $3.56 billion decrease as a result of the spin-off of Wyndham Hotels and the sale of the European vacation rentals business.

Such deceases in assets were partially offset by:

- $170 million increase in cash primarily related to our international businesses; and
- $136 million increase in net vacation ownership contract receivables.

Total liabilities decreased $1.95 billion from December 31, 2017 to December 31, 2018 primarily due to:

- $1.42 billion decrease as a result of the spin-off of Wyndham Hotels and the sale of the European vacation rentals business;
- $1.03 billion reduction in debt, primarily related to the repayment of the $450 million 2.5% senior unsecured notes that matured in March 2018, the terminations of the revolving credit facility maturing in 2020, the $325 million secured term loan B maturing in 2021, and the commercial paper program, partially offset by borrowings under the new revolving credit facility maturing in 2023 and the $300 million term loan maturing in 2025; and
- $166M decrease in accounts payable, $87 million of which is due to the classification of North American vacation rentals as held-for-sale, the remaining variance is primarily due to timing of purchases and payments in the normal course of business.

Such decreases in liabilities were partially offset by:

- $259 million increase in non-recourse vacation ownership debt;
- $157 million increase in accrued expenses and other liabilities, primarily due to an increase in income taxes payable, and guarantee liabilities relating to the sale of the European vacation rentals business, partially offset by $27 million due to the classification of North American vacation rentals as held-for-sale; and
- $123 million increase in deferred income taxes, primarily related to installment sales of VOIs and the valuation allowance on the Company's deferred tax assets.

Total equity decreased $1.34 billion from December 31, 2017 to December 31, 2018 primarily due to:

- $1.53 billion decrease in retained earnings due to the distribution related to the spin-off of Wyndham Hotels;
- $324 million treasury stock repurchases; and
- $191 million of dividends.

Such decreases were partially offset by:

- $672 million of net income attributable to Wyndham Destinations shareholders; and
- $81 million increase in additional paid-in capital primarily related to stock-based compensation.

Liquidity and Capital Resources

Currently, our financing needs are supported by cash generated from operations and borrowings under our revolving credit facility as well as the issuance of secured debt. In addition, we use our bank conduit facility and non-recourse debt borrowings

to finance our vacation ownership contract receivables. We believe that our net cash from operations, cash and cash equivalents, access to our revolving credit facilities, our bank conduit facility, and continued access to the debt markets provide us with sufficient liquidity to meet our ongoing cash needs.

In connection with the spin-off of Wyndham Hotels and the entry into new credit facilities, on May 31, 2018, the Company used net proceeds from the secured term loan B and $220 million of borrowings under the new $1.0 billion revolving credit facility to repay $484 million of outstanding principal borrowings under its revolving credit facility maturing in 2020. In addition, effective May 31, 2018, the Company terminated the $1.5 billion revolving credit facility maturing in 2020, the $400 million 364-day credit facility maturing in 2018 and the $325 million term loan maturing in 2021.

Following the Spin-off, the Company's corporate notes were downgraded by Standard & Poor's Ratings Services ("S&P") and Moody's Investors Service, Inc. ("Moody's"). As a result of such notes being downgraded, pursuant to the terms of the indentures governing the Company's 4.15% Notes due 2024 (the "2024 Notes") were increased to 5.40%, the 5.10% Notes due 2025 (the "2025 Notes") were increased to 6.35%, and the 4.50% Notes due 2027 (the "2027 Notes") were increased to 5.75% per annum, respectively. Pursuant to the terms of the indentures governing such series of notes, the interest rate on each such series of notes may be subject to future increases or decreases, as a result of future downgrades or upgrades to the credit ratings of such notes by S&P, Moody's or a substitute rating agency.

Our five-year revolving credit facility, which expires in May 2023, has a total capacity of $1.0 billion and available capacity of $784 million, net of letters of credit, as of December 31, 2018.

The Company terminated its European and U.S. commercial paper programs during the first and second quarter of 2018, respectively. Prior to termination, the U.S. and European commercial paper programs had total capacities of $750 million and $500 million, respectively. As of December 31, 2018, the Company had no outstanding borrowings under these programs. As of December 31, 2017, the Company had outstanding borrowings of $147 million, all under our U.S. commercial paper program, at a weighted average interest rate of 2.34%.

Our current two-year, $800 million non-recourse vacation ownership bank conduit facility, with a borrowing capability through April 2020, had $282 million of available capacity as of December 31, 2018. Borrowings under this facility are required to be repaid as the collateralized receivables amortize, but no later than May 2021.

Our fifteen-month, $750 million non-recourse vacation ownership bank conduit facility, was terminated and repayments were accelerated. No balance remained as of December 31, 2018.

We may, from time to time, depending on market conditions and other factors, repurchase our outstanding indebtedness, whether or not such indebtedness trades above or below its face amount, for cash and/or in exchange for other securities or other consideration, in each case in open market purchases and/or privately negotiated transactions.

The Company is currently evaluating the impact of the transition from the London Interbank Offered Rate ("LIBOR") as an interest rate benchmark to other potential alternative reference rates, including but not limited to the Secured Overnight Financing Rate ("SOFR"). Currently the Company has several debt and derivative instruments in place that reference LIBOR-based rates. The transition from LIBOR is estimated to take place in 2021 and management will continue to actively assess the related opportunities and risks involved in this transition.

CASH FLOWS

The following table summarizes the changes in cash, cash equivalents and restricted cash during 2018, 2017 and 2016:

	Year Ended December 31,		
	2018	2017	2016
Cash provided by/(used in)			
Operating activities:			
Continuing operations	$ 292	$ 500	$ 441
Discontinued operations	150	486	522
Investing activities:			
Continuing operations	(99)	(151)	(140)
Discontinued operations	(626)	(211)	(206)
Financing activities:			
Continuing operations	(1,786)	(536)	(574)
Discontinued operations	2,066	(22)	(12)
Effects of changes in exchange rates on cash and cash equivalents	(9)	17	(20)
Net change in cash and cash equivalents	$ (12)	$ 83	$ 11

Operating Activities

Net cash provided by operating activities from continuing operations for the year ended December 31, 2018decreased by $208 million compared to the same period in 2017. Such decrease was driven by:

- $380 million decrease in net income from continuing operations; and
- $253 million increase in cash utilized for working capital primarily due to increased separation-related receivables classified in Other assets and increased Vacation ownership contract receivables, net; partially offset by
- $425 million increase in non-cash items primarily due to deferred income taxes as the prior year included significant adjustments due to the change in the U.S. corporate tax rate.

Net cash provided by operating activities from discontinued operations for the year ended December 31, 2018decreased by $336 million compared to the same period of the prior year. Such decrease was driven by:

- $600 million decrease in non-cash items; partially offset by
- $198 million increase in net income from discontinued operations; and
- $66 million increase in cash provided by working capital.

Net cash provided by operating activities from continuing operations for the year ended December 31, 2017,increased by $59 million compared to the same period in 2016. Such increase was driven by:

- $294 million increase in net income from continuing operations, offset in part by:
- $57 million increase in cash utilized for working capital primarily due to an increase in vacation ownership contract receivables resulting from higher originations and increased spending on vacation ownership development projects partially offset by an increase in accrued expenses associated with higher employee-related costs; and
- $178 million decrease in non-cash items primarily due to deferred income taxes in 2017 which included significant adjustments due to the change in the U.S. corporate tax rate.

Net cash provided by operating activities from discontinued operationsdecreased by $36 million compared to 2016. This was primarily due to:

- $51 million decrease in net income; partially offset by
- $12 million increase in non-cash items; and
- $3 million increase in net working capital.

Investing Activities

Net cash used in investing activities from continuing operations for the year ended December 31, 2018decreased by $52 million primarily due to the Love Home Swap and DAE acquisitions in 2017 for which there was no equivalent in 2018.

Net cash used in investing activities from discontinued operations for the year ended December 31, 2018 increased by $415 million compared to the same period of the prior year. The increase was due to:

- $1.55 billion higher cash used for acquisitions in 2018; offset by
- $1.1 billion of cash proceeds from the sale of businesses in 2018; as well as $43 million lower additions to property and equipment in 2018 compared to 2017.

Net cash used in investing activities from continuing operations for the year ended December 31, 2017, increased $11 million compared to the prior year, primarily due to the Love Home Swap and DAE acquisitions in 2017, partially offset by $10 million of lower proceeds from asset sales in 2017 compared to 2016.

Net cash used in investing activities for discontinued operations increased by $5 million.

Financing Activities

Net cash used in financing activities from continuing operations for the year ended December 31, 2018, increased $1.25 billion compared to the same period in 2017, primarily due to:

- $1.07 billion higher net repayments; and
- $476 million of cash transferred to Wyndham Hotels upon Spin-off; partially offset by
- $269 million of lower share repurchases.

Net cash provided by financing activities for discontinued operations increased $2.09 billion compared to the same period of the prior year representing the proceeds from borrowings associated with the La Quinta acquisition.

Net cash used in financing activities for continuing operations for the year ended December 31, 2017, decreased $38 million compared to 2016, primarily due to $52 million of higher net borrowings.

Net cash used in financing activities for discontinued operations increased $10 million primarily due to contingent payments related to prior-year acquisitions.

Capital Deployment

We focus on deploying capital for the highest possible returns. Ultimately, our business objective is to grow our business while optimizing cash flow and Adjusted EBITDA. We intend to continue to invest in select capital and technological improvements across our business. We may also seek to strategically grow the business through merger and acquisition activities. Finally, we intend to continue to return value to shareholders through the repurchase of common stock and payment of dividends.

During 2018, we invested $202 million in vacation ownership development projects (inventory). We believe that our vacation ownership business currently has adequate finished inventory on our balance sheet to support vacation ownership sales for at least the next year. The average inventory spend on vacation ownership development projects for the five-year period from 2019 through 2023 is expected to be approximately $250 million annually. After factoring in the anticipated additional average annual spending, we expect to have adequate inventory to support vacation ownership sales through at least the next four to five years.

During 2018, we invested $99 million for capital expenditures for continuing operations, primarily on information technology enhancement and facility related projects. During 2019, we anticipate investing approximately $110 million to $120 million on capital expenditures for continuing operations.

In connection with our focus on optimizing cash flow, we are continuing our asset-light efforts in vacation ownership by seeking opportunities with financial partners whereby they make strategic investments to develop assets on our behalf. We refer to this as Just-in-Time. The partner may invest in new ground-up development projects or purchase from us, for cash, existing in-process inventory which currently resides on our balance sheet. The partner will complete the development of the project and we may purchase finished inventory at a future date as needed or as obligated under the agreement.

We expect that the majority of the expenditures that will be required to pursue our capital spending programs, strategic investments and vacation ownership development projects will be financed with cash flow generated through operations. Additional expenditures are financed with general secured corporate borrowings, including through the use of available capacity under our revolving credit facility.

Share Repurchase Program

On August 20, 2007, our Board authorized a share repurchase program that enables us to purchase our common stock. The Board has since increased the capacity of the program eight times, most recently on October 23, 2017 by $1.0 billion, bringing the total authorization under the current program to $6.0 billion. Proceeds received from stock option exercises have increased the repurchase capacity by $78 million since the inception of this program. We had $816 million of remaining availability in our program as of December 31, 2018.

Under our current share repurchase program, we repurchased 6.2 million shares during the year ended December 31, 2018. Of these repurchases, 0.9 million shares were repurchased prior to the spin-off of Wyndham Hotels at an average price of $114.89 for a total of $103 million, and 5.3 million shares were repurchased since the spin-off of Wyndham Hotels at an average price of $41.31 for a total cost of $221 million.

As of December 31, 2018, we have repurchased under our current and prior share repurchase programs, a total of 126 million shares for a cost of $6.07 billion since our separation from Cendant.

The average prices for both current year repurchases and total repurchases were impacted by five months of higher per share price prior to the spin-off of Wyndham Hotels and seven months of lower per share price after the Spin-off.

During the period January 1, 2019 through February 25, 2019, we repurchased an additional 1.0 million shares at an average price of $41.47 for a cost of $40 million. We currently have $776 million remaining availability in our program. The amount and timing of specific repurchases are subject to market conditions, applicable legal requirements and other factors. Repurchases may be conducted in the open market or in privately negotiated transactions.

Dividends

During the quarterly period ended March 31, 2018 the Company paid cash dividends of $0.66 per share, in each of the quarterly periods ended June 30, September 30 and December 31, 2018, the Company paid cash dividends of $0.41 per share. For each of the quarterly periods in 2017 and 2016, the Company paid cash dividends of $0.58 and $0.50 per share, respectively. The aggregate of dividends paid to shareholders for 2018, 2017 and 2016 were $194 million, $242 million, and $223 million, respectively.

Our ongoing dividend policy is to grow our dividend at the rate of growth of our earnings at a minimum, with the exception of the adjustment during the second quarter as a result of the separation. The declaration and payment of future dividends to holders of our common stock are at the discretion of our Board and depend upon many factors, including our financial condition, earnings, capital requirements of our business, covenants associated with certain debt obligations, legal requirements, regulatory constraints, industry practice and other factors that our Board deems relevant. There is no assurance that a payment of a dividend will occur in the future.

Foreign Earnings

Although the one-time mandatory deemed repatriation tax during 2017 and the territorial tax system created as a result of U.S. tax reform generally eliminate U.S. federal income taxes on dividends from foreign subsidiaries, the Company continues to assert that all of the undistributed foreign earnings of $654 million will be reinvested indefinitely as of December 31, 2018. In the event the Company determines not to continue to assert that all or part of its undistributed foreign earnings are permanently reinvested, such a determination in the future could result in the accrual and payment of additional foreign withholding taxes and U.S. taxes on currency transaction gains and losses, the determination of which is not practicable.

LONG-TERM DEBT COVENANTS

The revolving credit facilities and term loan B are subject to covenants including the maintenance of specific financial ratios as defined in the credit agreement. Commencing with the fiscal quarter ending September 30, 2018, the financial ratio covenants consist of a minimum interest coverage ratio of at least 2.5 to 1.0 as of the measurement date and a maximum first lien leverage ratio not to exceed 4.25 to 1.0 as of the measurement date. The interest coverage ratio is calculated by dividing consolidated EBITDA (as defined in the credit agreement) by consolidated interest expense (as defined in the credit agreement), both as measured on a trailing 12-month basis preceding the measurement date. As of December 31, 2018, our interest coverage ratio was 6.2 to 1.0. The first lien leverage ratio is calculated by dividing consolidated first lien debt (as defined in the credit agreement) as of the measurement date by consolidated EBITDA (as defined in the credit agreement) as measured on a trailing 12-month basis preceding the measurement date. As of December 31, 2018, our first lien leverage ratio was 2.8 to 1.0. These ratios do not include interest expense or indebtedness related to any qualified securitization financing (as defined in the credit agreement). As of December 31, 2018, we were in compliance with all of the financial covenants described above.

Each of our non-recourse, securitized term notes, and the bank conduit facilities contain various triggers relating to the performance of the applicable loan pools. If the vacation ownership contract receivables pool that collateralizes one of our securitization notes fails to perform within the parameters established by the contractual triggers (such as higher default or delinquency rates), there are provisions pursuant to which the cash flows for that pool will be maintained in the securitization as extra collateral for the note holders or applied to accelerate the repayment of outstanding principal to the note holders. As of December 31, 2018, all of our securitized loan pools were in compliance with applicable contractual triggers.

LIQUIDITY

Our vacation ownership business finances certain of its receivables through (i) an asset-backed bank conduit facilities and (ii) periodically accessing the capital markets by issuing asset-backed securities. None of the currently outstanding asset-backed securities contain any recourse provisions to us other than interest rate risk related to swap counterparties (solely to the extent that the amount outstanding on our notes differs from the forecasted amortization schedule at the time of issuance).

We believe that our $800 million bank conduit facility with a term through April 2020, combined with our ability to issue term asset-backed securities, should provide sufficient liquidity for our expected sales pace, and we expect to have available liquidity to finance the sale of VOIs. As of December 31, 2018, we had $282 million of availability under these asset-backed bank conduit facilities. Any disruption to the asset-backed securities market could adversely impact our future ability to obtain asset-backed financings.

We primarily utilize surety bonds in our vacation ownership business for sales and development transactions in order to meet regulatory requirements of certain states. In the ordinary course of the Company's business, it has assembled commitments from 15 surety providers in the amount of $2.60 billion, of which the Company had $365 million outstanding as of December 31, 2018. The availability, terms and conditions and pricing of bonding capacity are dependent on, among other things, continued financial strength and stability of the insurance company affiliates providing the bonding capacity, general availability of such capacity and the Company's corporate credit rating. If the bonding capacity is unavailable or, alternatively, the terms and conditions and pricing of the bonding capacity are unacceptable to the Company, its vacation ownership business could be negatively impacted.

Our liquidity position may also be negatively affected by unfavorable conditions in the capital markets in which we operate or if our vacation ownership contract receivables portfolios do not meet specified portfolio credit parameters. Our liquidity as it relates to our vacation ownership contract receivables securitization program could be adversely affected if we were to fail to renew or replace our conduit facilities on their expiration dates, or if a particular receivables pool were to fail to meet certain ratios, which could occur in certain instances if the default rates or other credit metrics of the underlying vacation ownership contract receivables deteriorate. Our ability to sell securities backed by our vacation ownership contract receivables depends on the continued ability and willingness of capital market participants to invest in such securities.

Our debt is rated Ba2 with a "stable outlook" by Moody's Investors Service and BB- with a "positive outlook" by Standard and Poor's, and BB- with a "stable outlook" by Fitch Rating Agency. A security rating is not a recommendation to buy, sell or hold securities and is subject to revision or withdrawal by the assigning rating organization. Reference in this report to any such credit rating is intended for the limited purpose of discussing or referring to aspects of our liquidity and of our costs of funds. Any reference to a credit rating is not intended to be any guarantee or assurance of, nor should there be any undue reliance upon, any credit rating or change in credit rating, nor is any such reference intended as any inference concerning future performance, future liquidity or any future credit rating.

SEASONALITY

We experience seasonal fluctuations in our net revenues and net income from sales of VOIs, vacation exchange fees and commission income earned from renting vacation properties. Revenues from sales of VOIs are generally higher in the third quarter than in other quarters due to increased leisure travel. Revenues from vacation exchange fees are generally highest in the first quarter, which is generally when members of our vacation exchange business book their vacations for the year. Revenues from vacation rentals are generally highest in the third quarter, when vacation arrivals are highest. The seasonality of our business may cause fluctuations in our quarterly operating results. As we expand into new markets and geographical locations, we may experience increased or different seasonality dynamics that create fluctuations in operating results different from the fluctuations we have experienced in the past.

COMMITMENTS AND CONTINGENCIES

From time to time, the Company is involved in claims, legal and regulatory proceedings, and governmental inquiries related to the Company's business, none of which, in the opinion of management, is expected to have a material effect on our results of operations or financial condition. See Note 19—*Commitments and Contingencies* to the Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K for a description of claims and legal actions arising in the ordinary course of our business along with the Company's guarantees and indemnifications and Note 27—*Transactions with Former Parent and Former Subsidiaries* to the Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K for a description of our obligations regarding Cendant contingent litigation, matters related to Wyndham Hotels and matters related to the European vacation rentals business.

CONTRACTUAL OBLIGATIONS

The following table summarizes the future contractual obligations of our continuing operations for the 12-month periods beginning on January 1st of each of the years set forth below:

	2019	2020	2021	2022	2023	Thereafter	Total
Non-recourse debt [a]	$ 195	$ 198	$ 640	$ 200	$ 215	$ 909	$ 2,357
Debt	38	43	252	652	588	1,308	2,881
Interest on debt [b]	238	230	201	160	122	133	1,084
Operating leases	34	30	26	24	22	99	235
Purchase commitments [c]	230	179	104	96	88	420	1,117
Inventory sold subject to conditional repurchase [d]	36	38	56	30	—	—	160
Separation liabilities [e]	3	13	—	—	—	2	18
Total [f]	$ 774	$ 731	$ 1,279	$ 1,162	$ 1,035	$ 2,871	$ 7,852

(a) Represents debt that is securitized through bankruptcy-remote SPEs, the creditors to which have no recourse to us for principal and interest.

(b) Includes interest on both debt and non-recourse debt; estimated using the stated interest rates on our debt and the swapped interest rates on our non-recourse debt.

(c) Includes (i) $848 million for marketing related activities (ii) $153 million relating to the development of vacation ownership properties, of which $43 million is included within Total liabilities on the Consolidated Balance Sheet, and (iii) $64 million for information technology activities.

(d) Represents obligations to repurchase completed vacation ownership properties from third-party developers (see Note 11—*Inventory* to the Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K for further detail) of which $52 million is included within Total liabilities on the Consolidated Balance Sheet.

(e) Represents liabilities which we assumed and are responsible for pursuant to our separation from Cendant (See Note 27—*Transactions with Former Parent and Former Subsidiaries* to the Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K for further detail.

(f) Excludes a $34 million liability for unrecognized tax benefits associated with the guidance for uncertainty in income taxes since it is not reasonably estimable to determine the periods in which such liability would be settled with the respective tax authorities.

In addition to amounts shown in the table above, we have $42 million of contractual obligations related to our held-for-sale business, of which $12 million is due within one year. Such obligations primarily relate to operating leases and purchase obligations.

In addition to the above and in connection with our Separation from Cendant, we entered into certain guarantee commitments with Cendant (pursuant to our assumption of certain liabilities and our obligation to indemnify Cendant, Realogy and Travelport for such liabilities) and guarantee commitments related to deferred compensation arrangements with each of Cendant and Realogy. For information on matters related to the Company's former parent and subsidiaries see Note 27—*Transactions with Former Parent and Former Subsidiaries* to the Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K.

OTHER COMMERCIAL COMMITMENTS AND OFF-BALANCE SHEET ARRANGEMENTS

Purchase Commitments. In the normal course of business, we make various commitments to purchase goods or services from specific suppliers, including those related to vacation ownership resort development and other capital expenditures. Purchase commitments made by us as of December 31, 2018 aggregated $1.12 billion, of which $848 million were for marketing-related activities, $153 million were related to the development of vacation ownership properties, and $64 million were for information technology activities.

Standard Guarantees/Indemnifications. In the ordinary course of business, we enter into agreements that contain standard guarantees and indemnities whereby we indemnify another party for specified breaches of or third-party claims relating to an underlying agreement. Such underlying agreements are typically entered into by one of our subsidiaries. The various underlying agreements generally govern purchases, sales or outsourcing of products or services, leases of real estate, licensing of software and/or development of vacation ownership properties, access to credit facilities, derivatives and issuances of debt securities. Also in the ordinary course of business, we provide corporate guarantees for our operating business units relating to merchant credit-card processing for prepaid customer stays and other deposits. While a majority of these guarantees and indemnifications extend only for the duration of the underlying agreement, some survive the expiration of the agreement. We are not able to estimate the maximum potential amount of future payments to be made under these guarantees and indemnifications as the triggering events are not predictable. In certain cases we maintain insurance coverage that may mitigate any potential payments.

Other Guarantees/Indemnifications. In the ordinary course of business, our vacation ownership business provides guarantees to certain owners' associations for funds required to operate and maintain vacation ownership properties in excess of assessments collected from owners of the VOIs. We may be required to fund such excess as a result of unsold Company-owned VOIs or failure by owners to pay such assessments. In addition, from time to time, we will agree to reimburse certain owner associations up to 80% of their uncollected assessments. These guarantees extend for the duration of the underlying subsidy or similar agreement (which generally approximate one year and are renewable at our discretion on an annual basis). The maximum potential future payments that we could be required to make under these guarantees was approximately $369 million as of December 31, 2018. We would only be required to pay this maximum amount if none of the assessed owners paid their assessments. Any assessments collected from the owners of the VOIs would reduce the maximum potential amount of future payments to be made by us. Additionally, should we be required to fund the deficit through the payment of any owners' assessments under these guarantees, we would be permitted access to the property for our own use and may use that property to engage in revenue-producing activities, such as rentals. During 2018, 2017 and 2016, we made payments related to these guarantees of$10 million, $11 million and $13 million, respectively. As of December 31, 2018 and 2017, we maintained a liability in connection with these guarantees of$33 million and $35 million, respectively, on our Consolidated Balance Sheets.

We guarantee our Vacation Ownership subsidiary's obligations to repurchase completed propertyin Las Vegas, Nevada from a third-party developer subject to the property meeting the Company's vacation ownership resort standards and provided that the third-party developer has not sold the property to another party. The maximum potential future payments that the Company may be required to make under these commitments was $160 million as of December 31, 2018.

As part of the Fee-for-Service program, the Company may guarantee to reimburse the developer a certain payment or to purchase inventory from the developer, for a percentage of the original sale price if certain future conditions exist. As of December 31, 2018 the maximum potential future payments that the Company may be required to make under these guarantees were approximately $37 million. As of December 31, 2018 and 2017, the Company had no recognized liabilities in connection with these guarantees.

In connection with the Company's vacation ownership inventory sale transactions, for which it has conditional rights and conditional obligations to repurchase the completed properties, the Company was required to maintain an investment-grade credit rating from at least one rating agency. As a result of the spin-off of Wyndham Hotels, the Company failed to maintain an investment-grade credit rating with at least one rating agency, which triggered a default. The Company agreed to pay $8 million in fees in lieu of posting collateral in favor of the development partner in an amount equal to the remaining obligations under the agreements.

Securitizations. We pool qualifying vacation ownership contract receivables and sell them to bankruptcy-remote entities, all of which are consolidated into the accompanying Consolidated Balance Sheet as of December 31, 2018.

Letters of Credit. As of December 31, 2018, we had $70 million of irrevocable standby letters of credit outstanding, of which $35 million were backed by our revolving credit facilities. As of December 31, 2017, we had $47 million of irrevocable standby letters of credit outstanding, of which $1 million were under our revolving credit facility. Such letters of credit issued during 2018 and 2017 primarily supported the securitization of vacation ownership contract receivables funding, certain insurance policies and development activity in our vacation ownership business.

Surety Bonds. As of December 31, 2018, we had assembled commitments from 15 surety providers in the amount of $2.60 billion, of which $365 million was outstanding. See Note 19—*Commitments and Contingencies* to the Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K for additional discussion of our surety bonds.

CRITICAL ACCOUNTING POLICIES

In presenting our financial statements in conformity with generally accepted accounting principles, we are required to make estimates and assumptions that affect the amounts reported therein. Several of the estimates and assumptions we are required to make relate to matters that are inherently uncertain as they pertain to future events. However, events that are outside of our control cannot be predicted and, as such, they cannot be contemplated in evaluating such estimates and assumptions. If there is a significant unfavorable change to current conditions, it could result in a material impact to our consolidated results of operations, financial position and liquidity. We believe that the estimates and assumptions we used when preparing our financial statements were the most appropriate at that time. In addition to our significant accounting policies referenced in Note 2—*Summary of Significant Accounting Policies* to the Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K, presented below are those accounting policies that we believe require subjective and complex judgments that could potentially affect reported results. However, the majority of our businesses operate in environments where we are paid a fee for a service performed, and therefore the results of the majority of our recurring operations are recorded in our financial statements using accounting policies that are not particularly subjective, nor complex.

Vacation Ownership Revenue Recognition. Our sales of VOIs are either cash sales or developer-financed sales. Developer financed sales are typically collateralized by the underlying VOI. Revenue is recognized on VOI sales upon transfer of control, which is defined as the point in time when a binding sales contract has been executed, the financing contract has been executed for the remaining transaction price, the statutory rescission period has expired and the transaction price has been deemed to be collectible. For developer-financed sales, the Company reduces the VOI sales transaction price by an estimate of uncollectible consideration at the time of the sale. The Company's estimates of uncollectible amounts are based largely on the results of the Company's static pool analysis which relies on historical payment data by customer class. In connection with entering into a VOI sale, the Company may provide its customers with certain non-cash incentives, such as credits for future stays at its resorts. For those VOI sales, the Company bifurcates the sale and allocates the sales price between the VOI sale and the non-cash incentive. Non-cash incentives generally have expiration periods of 18 months or less and are recognized at a point in time upon transfer of control.

Allowance for Loan Losses. In our Vacation Ownership segment, we provide for estimated vacation ownership contract receivable defaults at the time of VOI sales by recording a provision for loan losses as a reduction of VOI sales on the Consolidated Statements of Income. We assess the adequacy of the allowance for loan losses based on the historical performance of similar vacation ownership contract receivables. We use a technique referred to as static pool analysis, which tracks defaults for each year's sales over the entire life of those contract receivables. We consider current defaults, past due aging, historical write-offs of contracts and consumer credit scores (FICO scores) in the assessment of a borrower's credit strength, down payment amount and expected loan performance. We also consider whether the historical economic conditions are comparable to current economic conditions. If current or expected future conditions differ from the conditions in effect when the historical experience was generated, we adjust the allowance for loan losses to reflect the expected effects of the current environment on the collectability of our vacation ownership contract receivables.

Inventory. Our inventory primarily consists of completed VOIs, VOIs under construction, land held for future VOI development, vacation credits and real estate interests sold subject to conditional repurchase. We carry our inventory at the lower of cost, or estimated fair value less costs to sell, which can result in impairment charges and/or recoveries of previous impairments. Cost of VOIs includes all costs directly associated with the acquisition, development and construction of the underlying resort property, including capitalized interest, property taxes and certain other carrying costs incurred during the construction process.

We use the relative sales value method of costing and relieving our VOI inventory. This method requires us to make estimates subject to significant uncertainty, including future sales prices and volumes as well as credit losses and related inventory recoveries. The impact of any changes in estimates under the relative sales value method is recorded in Cost of vacation ownership interests on the Consolidated Statements of Income in order to retrospectively adjust the margin previously recorded subject to those estimates.

Impairment of Long-Lived Assets. With regard to the goodwill and other indefinite-lived intangible assets recorded in connection with business combinations, we annually (during the fourth quarter of each year subsequent to completing our annual forecasting process), or more frequently if circumstances indicate that the value of goodwill may be impaired, review the reporting units' carrying values as required by the guidance for goodwill and other intangible assets. This is done either by performing a qualitative assessment or utilizing the two-step process, with an impairment being recognized only where the fair value is less than carrying value. In any given year we can elect to perform a qualitative assessment to determine whether it is more likely than not that the fair value of a reporting unit is in excess of its carrying value. If it is not more likely than not that the fair value is in excess of the carrying value, or we elect to bypass the qualitative assessment, we would utilize the two-step

process. The qualitative factors evaluated include macroeconomic conditions, industry and market considerations, cost factors, overall financial performance, our historical share price as well as other industry-specific considerations. We performed a qualitative assessment for impairment on each reporting unit's goodwill. Based on the results of our qualitative assessments performed during the fourth quarter of 2018, we determined that no impairment existed, nor do we believe there is a material risk of it being impaired in the near term at our exchange, rentals, or vacation ownership reporting units. To the extent estimated market-based valuation multiples and/or discounted cash flows are revised downward, we may be required to write-down all or a portion of goodwill, which would adversely impact earnings. During the third quarter of 2017, we decided to explore strategic alternatives for our European vacation rentals business, which was previously part of our Wyndham Exchange & Rentals segment, and in the fourth quarter of 2017, we commenced activities to facilitate the sale of this business. As a result, we performed a qualitative assessment of our remaining Exchange & Rentals segment and determined that no impairment existed.

We also determine whether the carrying value of other indefinite-lived intangible assets is impaired on an annual basis or more frequently if indicators of potential impairment exist. Application of the other indefinite-lived intangible assets impairment test requires judgment in the assumptions underlying the approach used to determine fair value. The fair value of each other indefinite-lived intangible asset is estimated using a discounted cash flow methodology. This analysis requires significant judgments, including anticipated market conditions, operating expense trends, estimation of future cash flows, which are dependent on internal forecasts, and estimation of long-term rate of growth. The estimates used to calculate the fair value of other indefinite-lived intangible assets change from year to year based on operating results and market conditions. Changes in these estimates and assumptions could materially affect the determination of fair value and the other indefinite-lived intangible assets impairment.

We also evaluate the recoverability of our other long-lived assets, including property and equipment and amortizable intangible assets, if circumstances indicate impairment may have occurred, pursuant to guidance for impairment or disposal of long-lived assets. This analysis is performed by comparing the respective carrying values of the assets to the current and expected future cash flows, on an undiscounted basis, to be generated from such assets. Property and equipment is evaluated separately within each segment. If such analysis indicates that the carrying value of these assets is not recoverable, the carrying value of such assets is reduced to fair value.

Business Combinations. A component of our growth strategy has been to acquire and integrate businesses that complement our existing operations. We account for business combinations in accordance with the guidance for business combinations and related literature. Accordingly, we allocate the purchase price of acquired companies to the tangible and intangible assets acquired and liabilities assumed based upon their estimated fair values at the date of purchase. The difference between the purchase price and the fair value of the net assets acquired is recorded as goodwill.

In determining the fair values of assets acquired and liabilities assumed in a business combination, we use various recognized valuation methods including present value modeling and referenced market values (where available). Further, we make assumptions within certain valuation techniques including discount rates and timing of future cash flows. Valuations are performed by management or independent valuation specialists under management's supervision, where appropriate. We believe that the estimated fair values assigned to the assets acquired and liabilities assumed are based on reasonable assumptions that marketplace participants would use. However, such assumptions are inherently uncertain and actual results could differ from those estimates.

Guarantees. In the ordinary course of business, the Company enters into agreements that contain standard guarantees and indemnities whereby the Company indemnifies another party for specified breaches of, or third-party claims relating to, an underlying agreement. Such underlying agreements are typically entered into by one of the Company's subsidiaries. The various underlying agreements generally govern purchases, sales or outsourcing of products or services, leases of real estate, licensing of software and/or development of vacation ownership properties, access to credit facilities, derivatives and issuances of debt securities. Also in the ordinary course of business, the Company provides corporate guarantees for its operating business units relating to merchant credit-card processing for prepaid customer stays and other deposits. While a majority of these guarantees and indemnifications extend only for the duration of the underlying agreement, some survive the expiration of the agreement. The Company is not able to estimate the maximum potential amount of future payments to be made under these guarantees and indemnifications as the triggering events are not predictable. In certain cases, the Company maintains insurance coverage that may mitigate any potential payments.

Income Taxes. We recognize deferred tax assets and liabilities based on the differences between the financial statement carrying amounts and the tax basis of assets and liabilities using currently enacted tax rates. We recognize the effects of changes in tax laws, or rates, as a component of income taxes from continuing operations within the period that includes the enactment date. We regularly review our deferred tax assets to assess their potential realization and establish a valuation allowance for portions

of such assets that we believe will not be ultimately realized. In performing this review, we make estimates and assumptions regarding projected future taxable income, the expected timing of the reversals of existing temporary differences and the implementation of tax planning strategies. A change in these assumptions may increase or decrease our valuation allowance resulting in an increase or decrease in our effective tax rate, which could materially impact our results of operations.

For tax positions we have taken or expect to take in our tax return, we apply a more likely than not threshold, under which we must conclude a tax position is more likely than not to be sustained, assuming that the position will be examined by the appropriate taxing authority that has full knowledge of all relevant information, in order to recognize or continue to recognize the benefit. In determining our provision for income taxes, we use judgment, reflecting our estimates and assumptions, in applying the more likely than not threshold.

Refer to Note 2—*Summary of Significant Accounting Policies* and Note 9—*Income Taxes* to the Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K for additional detail.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We use various financial instruments, particularly swap contracts and interest rate caps, to manage and reduce the interest rate risk related to our debt. Foreign currency forwards and options are also used to manage and reduce the foreign currency exchange rate risk associated with our foreign currency denominated receivables and payables, and forecasted royalties, forecasted earnings and cash flows of foreign subsidiaries and other transactions.

We are exclusively an end user of these instruments, which are commonly referred to as derivatives. We do not engage in trading, market making or other speculative activities in the derivatives markets. More detailed information about these financial instruments is provided in Note 18—*Financial Instruments* to the Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K. Our principal market exposures are interest and foreign currency rate risks.

- Our primary interest rate exposure as ofDecember 31, 2018 was to interest rate fluctuations in the U.S., specifically LIBOR and asset-backed commercial paper interest rates due to their impact on variable rate borrowings and other interest rate sensitive liabilities. In addition, interest rate movements in one country, as well as relative interest rate movements between countries can impact us. We anticipate that LIBOR and asset-backed commercial paper rates will remain a primary market risk exposure for the foreseeable future.
- We are currently evaluating the impact of the transition from the LIBORas an interest rate benchmark to other potential alternative reference rates, including but not limited to the Secured Overnight Financing Rate ("SOFR"). Currently the Company has several debt and derivative instruments in place that reference LIBOR-based rates. The transition from LIBOR is estimated to take place in 2021 and management will continue to actively assess the related opportunities and risks involved in this transition.
- We have foreign currency rate exposure to exchange rate fluctuations worldwide particularly with respect to theAustralian and Canadian dollars, the British pound, Brazilian real, Mexican peso and the Euro. We anticipate that such foreign currency exchange rate risk will remain a market risk exposure for the foreseeable future.

We assess our market risk based on changes in interest and foreign currency exchange rates utilizing a sensitivity analysis. The sensitivity analysis measures the potential impact in earnings, fair values and cash flows based on a hypothetical 10% change (increase and decrease) in interest and foreign currency exchange rates. A hypothetical 10% change in our effective weighted average interest rate would not generate a material change in interest expense.

Our variable rate borrowings, which include our term loan, non-recourse bank conduit facilities, revolving credit facilities and a portion of secured fixed-rate notes which have been swapped to a variable interest rate, exposes us to risks caused by fluctuations in the applicable interest rates. The total outstanding balance of such variable rate borrowings at December 31, 2018 was approximately $518 million in non-recourse debt and $867 million in corporate debt. A 100 basis point change in the underlying interest rates would result in approximately a $5 million increase or decrease in annual consumer financing interest expense and a $9 million increase or decrease in annual long-term debt interest expense.

The fair values of cash and cash equivalents, trade receivables, accounts payable and accrued expenses and other current liabilities approximate carrying values due to the short-term nature of these assets and liabilities. We use a discounted cash flow model in determining the fair values of vacation ownership contract receivables. The primary assumptions used in determining fair value are prepayment speeds, estimated loss rates and discount rates. We use a duration-based model in determining the impact of interest rate shifts on our debt and interest rate derivatives. The primary assumption used in these models is that a 10% increase or decrease in the benchmark interest rate produces a parallel shift in the yield curve across all maturities.

We use a current market pricing model to assess the changes in the value of our foreign currency derivatives used by us to hedge underlying exposure that primarily consist of the non-functional current assets and liabilities of the Company and its subsidiaries. The primary assumption used in these models is a hypothetical 10% weakening or strengthening of the U.S. dollar against all our currency exposures as of December 31, 2018. The gains and losses on the hedging instruments are largely offset by the gains and losses on the underlying assets, liabilities or expected cash flows. As of December 31, 2018, the absolute notional amount of our outstanding foreign exchange hedging instruments was $67 million. We have determined through such analyses, that a hypothetical 10% change in foreign currency exchange rates would not generate a material increase or decrease to the fair value of our outstanding forward foreign currency exchange contracts, which would generally be offset by an opposite effect on the underlying exposure being economically hedged.

Our total market risk is influenced by a wide variety of factors including the volatility present within the markets and the liquidity of the markets. There are certain limitations inherent in the sensitivity analyses presented. While probably the most meaningful analysis, these "shock tests" are constrained by several factors, including the necessity to conduct the analysis based

on a single point in time and the inability to include the complex market reactions that normally would arise from the market shifts modeled.

We used December 31, 2018 market rates on outstanding financial instruments to perform the sensitivity analysis separately for each of our market risk exposures — interest and foreign currency rate instruments. The estimates are based on the market risk sensitive portfolios described in the preceding paragraphs and assume instantaneous, parallel shifts in interest rate yield curves and exchange rates.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

INDEX TO ANNUAL CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and the Board of Directors of Wyndham Destinations, Inc.
Orlando, Florida

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Wyndham Destinations, Inc. (formerly Wyndham Worldwide Corporation) and subsidiaries (the "Company") as of December 31, 2018 and 2017, the related consolidated statements of income, comprehensive income, cash flows, and equity for each of the three years in the period ended December 31, 2018, and the related notes (collectively referred to as the "financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2018, 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 financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2018 and 2017, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2018, 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, 2018, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by COSO.

Change in Accounting Principle

As discussed in Note 2 to the financial statements, the Company has changed its method of accounting for revenue from contracts with customers in 2018 due to adoption of Financial Accounting Standards Board Accounting Standards Codification 606, *Revenues from Contracts with Customers,* and related amendments.

Basis for Opinions

The Company's management is responsible for these 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 the accompanying *Management's Report on Internal Control over Financial Reporting.* Our responsibility is to express an opinion on these financial statements and an opinion 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 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 financial statements included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures to respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the 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 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 (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the

company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

/s/ Deloitte & Touche LLP
Tampa, Florida
February 26, 2019

We have served as the Company's auditor since 2005.

WYNDHAM DESTINATIONS, INC.
CONSOLIDATED STATEMENTS OF INCOME
(In millions, except per share amounts)

	Year Ended December 31,		
	2018	**2017**	**2016**
Net revenues			
Vacation ownership interest sales	$ 1,769	$ 1,684	$ 1,601
Service and membership fees	1,611	1,599	1,585
Consumer financing	491	463	440
Other	60	60	66
Net revenues	3,931	3,806	3,692
Expenses			
Operating	1,642	1,636	1,607
Cost of vacation ownership interests	183	150	146
Consumer financing interest	88	74	75
Marketing	609	546	499
General and administrative	513	580	568
Separation and related costs	223	26	—
Asset impairments	(4)	205	—
Restructuring	16	14	12
Depreciation and amortization	138	136	127
Total expenses	3,408	3,367	3,034
Operating income	523	439	658
Other (income), net	(38)	(28)	(21)
Interest expense	170	155	133
Early extinguishment of debt	—	—	11
Interest (income)	(5)	(6)	(7)
Income before income taxes	396	318	542
Provision/(benefit) for income taxes	130	(328)	190
Income from continuing operations	266	646	352
(Loss)/income from operations of discontinued businesses, net of income taxes	(50)	209	260
Income on disposal of discontinued business, net of income taxes	456	—	—
Net income	672	855	612
Net income attributable to noncontrolling interest	—	(1)	(1)
Net income attributable to Wyndham Destinations shareholders	$ 672	$ 854	$ 611
Basic earnings per share			
Continuing operations	$ 2.69	$ 6.26	$ 3.19
Discontinued operations	4.11	2.03	2.37
	$ 6.80	$ 8.29	$ 5.56
Diluted earnings per share			
Continuing operations	$ 2.68	$ 6.22	$ 3.17
Discontinued operations	4.09	2.02	2.35
	$ 6.77	$ 8.24	$ 5.52

See Notes to Consolidated Financial Statements.

WYNDHAM DESTINATIONS, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In millions)

	Year Ended December 31,		
	2018	**2017**	**2016**
Net income	$ 672	$ 855	$ 612
Other comprehensive (loss)/income, net of tax			
Foreign currency translation adjustments	(38)	95	(36)
Defined benefit pension plans	5	1	1
Other comprehensive (loss)/income, net of tax	(33)	96	(35)
Comprehensive Income	639	951	577
Comprehensive income attributable to noncontrolling interest	—	(1)	(1)
Comprehensive income attributable to Wyndham Destinations shareholders	$ 639	$ 950	$ 576

See Notes to Consolidated Financial Statements.

WYNDHAM DESTINATIONS, INC.
CONSOLIDATED BALANCE SHEETS
(In millions, except share data)

	December 31, 2018	December 31, 2017
Assets		
Cash and cash equivalents	$ 218	$ 48
Restricted cash (VIE - $120 and $106)	155	171
Trade receivables, net	121	195
Vacation ownership contract receivables, net (VIE - $2,883 and $2,553)	3,037	2,901
Inventory	1,224	1,249
Prepaid expenses	153	118
Property and equipment, net	712	822
Goodwill	922	911
Other intangibles, net	109	143
Other assets	304	328
Assets of discontinued operations and held-for-sale business	203	3,564
Total assets	$ 7,158	$ 10,450
Liabilities and Equity		
Accounts payable	$ 66	$ 232
Deferred income	518	559
Accrued expenses and other liabilities	1,004	847
Non-recourse vacation ownership debt (VIE)	2,357	2,098
Debt	2,881	3,908
Deferred income taxes	736	613
Liabilities of discontinued operations and held-for-sale business	165	1,419
Total liabilities	7,727	9,676
Commitments and contingencies (Note 19)		
Stockholders' (deficit)/equity:		
Preferred stock, $.01 par value, authorized 6,000,000 shares, none issued and outstanding	—	—
Common stock, $.01 par value, 600,000,000 shares authorized, 220,120,808 issued as of 2018 and 218,796,817 as of 2017	2	2
Treasury stock, at cost – 125,137,857 shares as of 2018 and 118,887,441 shares as of 2017	(6,043)	(5,719)
Additional paid-in capital	4,077	3,996
Retained earnings	1,442	2,501
Accumulated other comprehensive loss	(52)	(11)
Total stockholders' (deficit)/equity	(574)	769
Noncontrolling interest	5	5
Total (deficit)/equity	(569)	774
Total liabilities and (deficit)/equity	$ 7,158	$ 10,450

See Notes to Consolidated Financial Statements.

WYNDHAM DESTINATIONS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)

	Year Ended December 31,		
	2018	**2017**	**2016**
Operating Activities			
Net income	$ 672	$ 855	$ 612
Loss/(income) from operations of discontinued businesses, net of income taxes	50	(209)	(260)
(Income) on disposal of discontinued business, net of income taxes	(456)	—	—
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	138	136	127
Provision for loan losses	456	420	342
Deferred income taxes	122	(397)	72
Stock-based compensation	129	59	57
Excess tax benefits from stock-based compensation	—	—	(9)
Asset impairments	5	205	—
Loss on early extinguishment of debt	—	—	11
Non-cash interest	20	22	23
Net change in assets and liabilities, excluding impact of acquisitions and dispositions:			
Trade receivables	(27)	7	1
Vacation ownership contract receivables	(615)	(526)	(405)
Inventory	(27)	(71)	(26)
Prepaid expenses	(26)	(7)	5
Other assets	(17)	(16)	(10)
Accounts payable, accrued expenses, and other liabilities	(146)	(6)	(70)
Deferred income	7	11	(5)
Other, net	7	17	(24)
Net cash provided by operating activities - continuing operations	292	500	441
Net cash provided by operating activities - discontinued operations	150	486	522
Net cash provided by operating activities	442	986	963
Investing Activities			
Property and equipment additions	(99)	(107)	(117)
Net assets acquired, net of cash acquired, and acquisition related payments	(5)	(48)	(21)
Proceeds from asset sales	12	6	16
Other, net	(7)	(2)	(18)
Cash used in investing activities - continuing operations	(99)	(151)	(140)
Cash used in investing activities - discontinued operations	(626)	(211)	(206)
Net cash used in investing activities	(725)	(362)	(346)
Financing Activities			
Proceeds from non-recourse vacation ownership debt	2,977	2,002	2,079
Principal payments on non-recourse vacation ownership debt	(2,713)	(2,053)	(2,044)
Proceeds from debt	3,203	1,629	112
Principal payments on debt	(3,520)	(1,293)	(141)
Repayments of commercial paper, net	(147)	(280)	318
Proceeds from notes issued and term loan	300	694	325
Repayment of notes	(790)	(300)	(327)
Proceeds from vacation ownership inventory arrangements	—	—	20
Repayments of vacation ownership inventory arrangements	(12)	(41)	(26)
Dividends to shareholders	(194)	(242)	(223)
Cash transferred to Wyndham Hotels at spin-off	(476)	—	—
Repurchase of common stock	(330)	(599)	(619)
Excess tax benefits from stock-based compensation	—	—	9
Debt issuance costs	(20)	(10)	(20)
Net share settlement of incentive equity awards	(60)	(39)	(36)
Other, net	(4)	(4)	(1)
Cash used in financing activities - continuing operations	(1,786)	(536)	(574)
Cash provided by/(used in) financing activities - discontinued operations	2,066	(22)	(12)
Net cash provided by/(used in) financing activities	280	(558)	(586)
Effect of changes in exchange rates on cash, cash equivalents and restricted cash	(9)	17	(20)
Net change in cash, cash equivalents and restricted cash	(12)	83	11
Cash, cash equivalents and restricted cash, beginning of period	416	333	322
Cash, cash equivalents and restricted cash, end of period	$ 404	$ 416	$ 333

See Note 2—*Summary of Significant Accounting Policies* for the reconciliation of cash, cash equivalents and restricted cash balances.

See Notes to Consolidated Financial Statements.

WYNDHAM DESTINATIONS, INC.
CONSOLIDATED STATEMENTS OF EQUITY
(In millions)

	Common Shares Outstanding	Common Stock	Treasury Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Non-controlling Interest	Total Equity/(Deficit)
Balance previously reported as of December 31, 2015	**114**	**$ 2**	**$ (4,493)**	**$ 3,923**	**$ 1,592**	**$ (74)**	**$ 3**	**$ 953**
Beginning balance adjustment due to change in accounting principle	—	—	—	—	(91)	2	—	(89)
Net income	—	—	—	—	611	—	1	612
Other comprehensive loss	—	—	—	—	—	(35)	—	(35)
Issuance of shares for RSU vesting	1	—	—	—	—	—	—	—
Net share settlement of stock-based compensation	—	—	—	(36)	—	—	—	(36)
Change in stock-based compensation	—	—	—	68	—	—	—	68
Change in stock-based compensation for Board of Directors	—	—	—	1	—	—	—	1
Repurchase of common stock	(9)	—	(625)	—	—	—	—	(625)
Change in excess tax benefit on equity awards	—	—	—	9	—	—	—	9
Dividends	—	—	—	—	(226)	—	—	(226)
Other	—	—	—	1	—	—	—	1
Balance as of December 31, 2016	**106**	**$ 2**	**$ (5,118)**	**$ 3,966**	**$ 1,886**	**$ (107)**	**$ 4**	**$ 633**
Net income	—	—	—	—	854	—	1	855
Other comprehensive income	—	—	—	—	—	96	—	96
Net share settlement of stock-based compensation	—	—	—	(39)	—	—	—	(39)
Change in stock-based compensation	—	—	—	68	—	—	—	68
Change in stock-based compensation for Board of Directors	—	—	—	2	—	—	—	2
Repurchase of common stock	(6)	—	(601)	—	—	—	—	(601)
Dividends	—	—	—	—	(239)	—	—	(239)
Other	—	—	—	(1)	—	—	—	(1)
Balance as of December 31, 2017	**100**	**$ 2**	**$ (5,719)**	**$ 3,996**	**$ 2,501**	**$ (11)**	**$ 5**	**$ 774**
Beginning balance adjustment due to change in accounting principle	—	—	—	—	(9)	(8)	—	(17)
Net income	—	—	—	—	672	—	—	672
Other comprehensive loss	—	—	—	—	—	(33)	—	(33)
Issuance of shares for RSU vesting	1	—	—	—	—	—	—	—
Net share settlement of stock-based compensation	—	—	—	(60)	—	—	—	(60)
Change in stock-based compensation	—	—	—	150	—	—	—	150
Change in stock-based compensation and impact of equity restructuring for Board of Directors	—	—	—	(9)	—	—	—	(9)
Repurchase of common stock	(6)	—	(324)	—	—	—	—	(324)
Dividends	—	—	—	—	(191)	—	—	(191)
Distribution for separation of Wyndham Hotels and adjustments related to discontinued business	—	—	—	—	(1,531)	—	—	(1,531)
Balance as of December 31, 2018	**95**	**$ 2**	**$ (6,043)**	**$ 4,077**	**$ 1,442**	**$ (52)**	**$ 5**	**$ (569)**

See Notes to Consolidated Financial Statements.

WYNDHAM DESTINATIONS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unless otherwise noted, all amounts are in millions, except share and per share amounts)

1. Background and Basis of Presentation

Wyndham Destinations, Inc. (formerly known as Wyndham Worldwide Corporation ("Wyndham Worldwide") and its subsidiaries (collectively, "Wyndham Destinations" or the "Company"), is a global provider of hospitality services and products. The Company operates in two segments: Vacation Ownership and Exchange & Rentals. The Vacation Ownership segment develops, markets and sells vacation ownership interests ("VOIs") to individual consumers, provides consumer financing in connection with the sale of VOIs and provides property management services at resorts. The Exchange & Rentals segment provides vacation exchange services and products to owners of VOIs and manages and markets vacation rental properties primarily on behalf of independent owners.

On May 9, 2018, the Company completed the sale of its European vacation rentals business.

On May 31, 2018, the Company completed the spin-off of its hotel business ("Spin-off") into a separate publicly traded company, Wyndham Hotels & Resorts, Inc. ("Wyndham Hotels"). This transaction was effected through a pro rata distribution of the new hotel entity's stock to Wyndham Destinations shareholders. In connection with the Spin-off, the Company entered into certain agreements with Wyndham Hotels to implement the legal and structural separation, govern the relationship between the Company and Wyndham Hotels up to and after the completion of the separation, and allocate various assets, liabilities and obligations, including, among other things, employee benefits, intellectual property and tax-related assets and liabilities between the Company and Wyndham Hotels. The two public companies have entered into long-term exclusive license agreements to retain their affiliations with one of the industry's top-rated loyalty programs, Wyndham Rewards, as well as to continue to collaborate on inventory-sharing and customer cross-sell initiatives.

For all periods presented, the Company has classified the results of operations for its hotel business and its European vacation rentals business as discontinued operations. See Note 6—*Discontinued Operations* for further details.

During 2018, the Company decided to explore strategic alternatives for its North American vacation rentals business and during the fourth quarter commenced activities to facilitate the sale of this business. The assets and liabilities of this business have been classified as held-for-sale as of December 31, 2018. This business does not meet the criteria to be classified as a discontinued operation; therefore, the results were reflected within continuing operations on the Consolidated Statements of Income. See Note 7—*Held-for-Sale Business* for further details.

Basis of Presentation

The Consolidated Financial Statements include the accounts and transactions of Wyndham Destinations, as well as the entities in which Wyndham Destinations directly or indirectly has a controlling financial interest. The Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S."). All intercompany balances and transactions have been eliminated on the Consolidated Financial Statements. In addition, certain prior period amounts have been reclassified to comply with newly adopted accounting standards. See Note 2—*Summary of Significant Accounting Policies* for further details.

The Company changed its balance sheet presentation from classified (distinguishing between short-term and long-term accounts) to unclassified in the second quarter of 2018. This change was prompted by the spin-off of Wyndham Hotels at which time the Company became predominantly a timeshare company. This presentation conforms to that of the Company's peers within the timeshare industry. Both the December 31, 2018 and 2017 Consolidated Balance Sheets have been presented in an unclassified format.

In presenting the Consolidated Financial Statements, management makes estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosures. Estimates, by their nature, are based on judgment and available information. Accordingly, actual results could differ from those estimates and assumptions. In management's opinion, the Consolidated Financial Statements contain all normal recurring adjustments necessary for a fair presentation of annual results reported.

2. Summary of Significant Accounting Policies

PRINCIPLES OF CONSOLIDATION

When evaluating an entity for consolidation, the Company first determines whether an entity is a variable interest entity ("VIE"). If the entity is deemed to be a VIE, the Company determines whether it would be the entity's primary beneficiary and consolidates those VIEs for which the Company would be the primary beneficiary. The Company will also consolidate an entity not deemed a VIE upon determination that we have a controlling financial interest. For entities where the Company does not have a controlling financial interest, the investments in such entities are accounted for using the equity or cost method, as appropriate.

REVENUE RECOGNITION

During 2018 the Company adopted the new *Revenue from Contracts with Customers* guidance utilizing the full retrospective transition method. Refer to Note3—*Revenue Recognition* for full details of the Company's revenue recognition policies.

CASH AND CASH EQUIVALENTS

The Company considers highly-liquid investments purchased with an original maturity ofthree months or less to be cash equivalents.

RESTRICTED CASH

The largest portion of the Company's restricted cash relates to securitizations. The remaining portion is comprised of cash held in escrow accounts.

Securitizations. In accordance with the contractual requirements of the Company's various vacation ownership contract receivable securitizations, a dedicated lockbox account, subject to a blocked control agreement, is established for each securitization. At each month end, the total cash in the collection account from the previous month is analyzed and a monthly servicer report is prepared by the Company, which details how much cash should be remitted to the note holders for principal and interest payments, and any cash remaining is transferred by the trustee back to the Company. Additionally, as required by various securitizations, the Company holds an agreed-upon percentage of the aggregate outstanding principal balances of the VOI contract receivables collateralizing the asset-backed notes in a segregated trust (or reserve) account as credit enhancement. Each time a securitization closes and the Company receives cash from the note holders, a portion of the cash is deposited in the reserve account. As of December 31, 2018, and 2017, restricted cash for securitizations totaled$120 million and $106 million, respectively.

Escrow Deposits. Laws in most U.S. states require the escrow of down payments on VOI sales, with the typical requirement mandating that the funds be held in escrow until the rescission period expires. As sales transactions are consummated, down payments are collected and are subsequently placed in escrow until the rescission period has expired. Depending on the state, the rescission period can be as short as three calendar days or as long as 15 calendar days. In certain states, the escrow laws require that100% of VOI purchaser funds (excluding interest payments, if any), be held in escrow until the deeding process is complete. Where possible, the Company utilizes surety bonds in lieu of escrow deposits. Similarly, laws in certain U.S. states require the escrow of advance deposits received from guests for vacation rental transactions. Such amounts are required to be held in escrow until the legal restriction expires, which varies from state to state. Escrow deposits were $35 million and $65 million as of December 31, 2018 and 2017, respectively.

RECEIVABLE VALUATION

Trade receivables

The Company provides for estimated bad debts based on its assessment of the ultimate realizability of receivables, considering historical collection experience, the economic environment and specific customer information. When the Company determines that an account is not collectible, the account is written-off to the allowance for doubtful accounts.

The following table illustrates the Company's allowance for doubtful accounts activity from continuing operations for the year ended December 31:

	2018	2017	2016
Beginning balance	$ 78	$ 68	$ 70
Bad debt expense	75	51	43
Write-offs	(49)	(42)	(45)
Translation and other adjustments	—	1	—
Ending balance	$ 104	$ 78	$ 68

Vacation ownership contract receivables

In the Vacation Ownership segment, the Company provides for estimated vacation ownership contract receivable defaults at the time of VOI sales by recording a provision for loan losses as a reduction of VOI sales on the Consolidated Statements of Income. The Company assesses the adequacy of the allowance for loan losses based on the historical performance of similar vacation ownership contract receivables. A technique, referred to as static pool analysis, is used that tracks defaults for each year's sales over the entire life of those contract receivables. Current defaults, past due aging, historical write-offs of contracts and consumer credit scores, Fair Isaac Corporation ("FICO"), are considered in the assessment of borrower's credit strength and expected loan performance. The Company also considers whether the historical economic conditions are comparable to current economic conditions. If current or expected future conditions differ from the conditions in effect when the historical experience was generated, the Company adjusts the allowance for loan losses to reflect the expected effects of the current environment on the collectability of vacation ownership contract receivables.

INVENTORY

Inventory primarily consists of completed VOIs, VOIs under construction, land held for future VOI development, vacation credits and real estate interests sold subject to conditional repurchase. The Company applies the relative sales value method for relieving VOI inventory and recording the related cost of sales. Under the relative sales value method, cost of sales is recorded using a percentage ratio of total estimated development cost to total estimated VOI revenue, including estimated future revenue and incorporating factors such as changes in prices and the recovery of VOIs generally as a result of contract receivable defaults. The effect of such changes in estimates under the relative sales value method is accounted for in each period using a current-period adjustment to inventory and cost of sales. Inventory is stated at the lower of cost, including capitalized interest, property taxes and certain other carrying costs incurred during the construction process, or estimated fair value less costs to sell. Capitalized interest was $1 million, less than $1 million and $1 million in 2018, 2017 and 2016, respectively.

PROPERTY AND EQUIPMENT

Property and equipment (including leasehold improvements) are recorded at cost, and presented net of accumulated depreciation and amortization. Depreciation, recorded as a component of Depreciation and amortization on the Consolidated Statements of Income, is computed utilizing the straight-line method over the lesser of the lease terms or estimated useful lives of the related assets. Amortization of leasehold improvements, also recorded as a component of depreciation and amortization, is computed utilizing the straight-line method over the lesser of the estimated benefit period of the related assets or the lease terms. Useful lives are generally 30 years for buildings, up to 20 years for leasehold improvements, from up to 30 years for vacation rental properties and from 3 to 7 years for furniture, fixtures and equipment.

The Company capitalizes the costs of software developed for internal use in accordance with the guidance for accounting for costs of computer software developed or obtained for internal use. Capitalization of software costs developed for internal use commences during the development phase of the project. The Company amortizes software developed or obtained for internal use on a straight-line basis over its estimated useful life, which is generally 3 to 5 years, with the exception of certain enterprise resource planning and reservation and inventory management software, which is generally 10 years. Such amortization commences when the software is substantially ready for use.

The net carrying value of software developed or obtained for internal use was $166 million and $198 million as of December 31, 2018 and 2017, respectively. Capitalized interest was $1 million during 2018 and 2017, respectively, and $3 million during 2016.

DERIVATIVE INSTRUMENTS

The Company uses derivative instruments as part of its overall strategy to manage its exposure to market risks primarily associated with fluctuations in foreign currency exchange rates and interest rates. As a matter of policy, the Company does not use derivatives for trading or speculative purposes. All derivatives are recorded at fair value either as assets or liabilities. Changes in fair value of derivatives not designated as hedging instruments and of derivatives designated as fair value hedging instruments are recognized currently in Operating income and net Interest expense, based upon the nature of the hedged item, on the Consolidated Statements of Income. The effective portion of changes in fair value of derivatives designated as cash flow hedging instruments is recorded as a component of other comprehensive income. The ineffective portion is reported immediately in earnings as a component of operating expense, based upon the nature of the hedged item. Amounts included in other comprehensive income are reclassified into earnings in the same period during which the hedged item affects earnings.

INCOME TAXES

The Company recognizes deferred tax assets and liabilities using the asset and liability method, under which deferred tax assets and liabilities are calculated based upon the temporary differences between the financial statement and income tax bases of assets and liabilities using currently enacted tax rates. These differences are based upon estimated differences between the book and tax basis of the assets and liabilities for the Company as of December 31, 2018 and 2017. The Company recognizes the effects of changes in tax laws, or rates, as a component of income taxes from continuing operations within the period that includes the enactment date.

The Company’s deferred tax assets are recorded net of a valuation allowance when, based on the weight of available evidence, it is more likely than not that some portion or all of the recorded deferred tax assets will not be realized in future periods. Decreases to the valuation allowance are recorded as reductions to the Company’s provision for income taxes and increases to the valuation allowance result in additional provision for income taxes. The realization of the Company’s deferred tax assets, net of the valuation allowance, is primarily dependent on estimated future taxable income. A change in the Company’s estimate of future taxable income may require an addition to or reduction from the valuation allowance.

For tax positions the Company has taken or expects to take in a tax return, the Company applies a more likely than not threshold, under which the Company must conclude a tax position is more likely than not to be sustained, assuming that the position will be examined by the appropriate taxing authority that has full knowledge of all relevant information, in order to recognize or continue to recognize the benefit. In determining the Company’s provision for income taxes, the Company uses judgment, reflecting its estimates and assumptions, in applying the more likely than not threshold. The Company classifies interest and penalties associated with unrecognized tax benefits as a component of Provision for income taxes on the Consolidated Statements of Income.

During 2018, the Financial Accounting Standards Board (“FASB”) issued guidance on the accounting for tax on the global intangible low-taxed income provisions of the recently enacted tax law. These provisions impose a tax on foreign income in excess of a deemed return on tangible assets of foreign corporations. The guidance indicates that the Company is allowed to make an accounting policy choice of either: (i) treating taxes due on future inclusions in taxable income as a current-period expense when incurred (the “period cost method”) or (ii) factoring such amounts into the Company's measurement of its deferred taxes (the “deferred method”). The Company has elected to account for any potential inclusions under the period cost method.

During the fourth quarter of 2018, in accordance with the SEC Staff Accounting Bulletin (“SAB”) No. 118 - Income Tax Accounting Implications of the Tax Cuts and Jobs Act, the Company completed its accounting for the tax effects of the U.S. tax reform recorded for 2017.

LOYALTY PROGRAMS

The Company earns revenue from its RCI Elite Rewards co–branded credit card program which is primarily generated by cardholder spending and the enrollment of new cardholders. The advance payments received under the program are recognized as a contract liability until the Company’s performance obligations have been satisfied. The program primarily contains two performance obligations: (i) brand performance services, for which revenue is recognized over the contract term on a straight-line basis, and (ii) issuance and redemption of loyalty points, for which revenue is recognized over time based upon the redemption pattern of the loyalty points earned under the program including an estimate of loyalty points that will expire without redemption.

Revenues relating to the RCI Elite Rewards program, which are recorded in Other revenues on the Consolidated Statements of Income, amounted to $12 million, $11 million and $12 million during 2018, 2017, and 2016, respectively. Expenses related to this program, which are recorded within Operating expenses on the Consolidated Statements of Income, amounted to $5 million, $6 million, and $6 million during 2018, 2017, and 2016, respectively. The liability associated with the program as of December 31, 2018 and 2017 amounted to $13 million and is included within Deferred income on the Consolidated Balance Sheets.

As a result of the spin-off of Wyndham Hotels, the Company has entered into long-term exclusive license agreements to retain its affiliations with one of the industry's top-rated loyalty programs, Wyndham Rewards. Wyndham Rewards members accumulate points by staying in hotels franchised under one of the Wyndham Hotels brands, and by purchasing everyday services and products utilizing their co-branded credit cards. Members may redeem their points for hotel stays, airline tickets, rental cars, resort vacations, electronics, sporting goods, movie and theme park tickets, gift certificates, vacation ownership maintenance fees and annual membership dues and exchange fees for transactions.

ADVERTISING EXPENSE

Advertising costs are generally expensed in the period incurred and are recorded within Marketing expense on the Consolidated Statements of Income. Advertising costs were $27 million, $25 million and $31 million in 2018, 2017 and 2016, respectively.

STOCK-BASED COMPENSATION

In accordance with the guidance for stock-based compensation, the Company measures all stock-based compensation awards using a fair value method and records the related expense in its Consolidated Statements of Income.

IMPAIRMENT OF LONG-LIVED ASSETS

The Company has goodwill and other indefinite-lived intangible assets recorded in connection with business combinations. The Company annually (during the fourth quarter of each year subsequent to completing the Company's annual forecasting process), or more frequently if circumstances indicate that the value of goodwill may be impaired, reviews the reporting units' carrying values as required by the guidance for goodwill and other indefinite-lived intangible assets.

Under current accounting guidance, goodwill and other intangible assets with indefinite lives are not subject to amortization. However, goodwill and other intangibles with indefinite lives are subject to fair value-based rules for measuring impairment, and resulting write-downs, if any, are reflected in Operating expense. The Company has goodwill recorded at its vacation ownership, exchange, and rentals reporting units. The Company completed its annual goodwill impairment test by performing a qualitative analysis for each of its reporting units as of October 1, 2018 and determined that no impairment exists.

The Company also evaluates the recoverability of its other long-lived assets, including property and equipment and amortizable intangible assets, if circumstances indicate impairment may have occurred, pursuant to guidance for impairment or disposal of long-lived assets. This analysis is performed by comparing the respective carrying values of the assets to the current and expected future cash flows, on an undiscounted basis, to be generated from such assets. Property and equipment is evaluated separately within each segment. If such analysis indicates that the carrying value of these assets is not recoverable, the carrying value of such assets is reduced to fair value.

ACCOUNTING FOR RESTRUCTURING ACTIVITIES

The Company's restructuring activities require it to make significant estimates in several areas including (i) expenses for severance and related benefit costs, (ii) the ability to generate sublease income, as well as its ability to terminate lease obligations, and (iii) contract terminations. The amount that the Company accrued as of December 31, 2018 represents its best estimate of the obligations incurred in connection with these actions, but could change due to various factors including market conditions and the outcome of negotiations with third parties.

OTHER INCOME

During 2018, the Company recorded $38 million of income primarily related to (i) value added tax refunds at its Exchange & Rentals segment, (ii) settlements of various business interruption claims, and (iii) co-branded revenue at its Vacation Ownership segment. During 2017, the Company recorded $28 million of income primarily related to (i) a non-cash gain resulting from the acquisition of a controlling interest in Love Home Swap at its Exchange & Rentals segment, (ii) settlements of various business interruption claims, and (iii) the sale of non-strategic assets at its Vacation Ownership segment. During 2016, the Company recorded $21 million of income primarily related to (i) settlements of business

disruption claims related to the Gulf of Mexico oil spill in 2010, (ii) settlements of various other business interruption claims received, (iii) the sale of non-strategic assets, and (iv) other miscellaneous royalties at its Vacation Ownership segment.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

Leases. In February 2016, the Financial Accounting Standards Board ("FASB") issued guidance for lease accounting. The guidance requires a lessee to recognize right-of-use ("ROU") assets and lease liabilities on the balance sheet for all lease obligations and disclose key information about leasing arrangements, such as the amount, timing, and uncertainty of cash flows arising from leases. The guidance requires modified retrospective application and is effective for fiscal years beginning after December 15, 2018 for public companies; however, early adoption is permitted. Entities are allowed to apply the modified retrospective approach (i) retrospectively to each prior reporting period presented in the financial statements with the cumulative-effect adjustment recognized at the beginning of the earliest comparative period presented or (ii) retrospectively at the beginning of the period of adoption on January 1, 2019, through a cumulative-effect adjustment.

The Company will adopt this standard as of January 1, 2019 and will apply the modified retrospective approach on this date by recording a cumulative-effect adjustment. Upon adoption the Company will elect the package of practical expedients permitted under the transition guidance within the new standard, which among other things allows us to carryforward the historical lease classification. The Company will also elect the hindsight practical expedient to determine the reasonably certain lease term for existing leases. The Company will make an accounting policy election to keep leases with an initial term of 12 months or less off of the balance sheet. These lease payments will be recognized in the Consolidated Statements of Income on a straight-line basis over the lease term. As a result of the adoption of this guidance, the Company expects to recognize ROU assets of between $155 million and $165 million, and related lease liabilities of between$195 million and $205 million, as of the effective date of adoption, including reclassifications of tenant improvement allowances and deferred rent balances into ROU assets. The adoption of this standard will not have a material impact related to existing leases, therefore a cumulative-effect adjustment will not be recorded. The Company's operating lease portfolio is comprised of primarily real estate and equipment leases. The Company does not believe this standard will materially impact its consolidated net income or liquidity, nor does it believe this standard will impact debt covenant compliance under our current agreements.

Financial Instruments - Credit Losses. In June 2016, the FASB issued guidance which amends the guidance on measuring credit losses on financial assets held at amortized cost. The guidance requires the measurement of all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. This guidance is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. The Company is currently evaluating the impact of the adoption of this guidance on its financial statements and related disclosures.

Simplifying the Test for Goodwill Impairment. In January 2017, the FASB issued guidance which simplifies the current two-step goodwill impairment test by eliminating Step two of the test. The guidance requires a one-step impairment test in which an entity compares the fair value of a reporting unit with its carrying amount and recognizes an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value, if any. This guidance is effective for fiscal years beginning after December 15, 2019 and interim periods within those fiscal years, and should be applied on a prospective basis. Early adoption is permitted for the interim or annual goodwill impairment tests performed on testing dates after January 1, 2017. The Company is currently evaluating the impact of the adoption of this guidance on its financial statements and related disclosures.

Stock Compensation - Improvements to Nonemployee Share-Based Payment Accounting. In June 2018, the FASB issued guidance intended to simplify nonemployee share-based payment accounting. This new guidance will more closely align the accounting for share-based payment awards issued to employees and nonemployees. This guidance is effective for fiscal years beginning after December 15, 2018 and for interim periods within those fiscal years, with early adoption permitted. The company does not believe the adoption of this guidance will have a material impact on its financial statements and related disclosures.

Implementation Costs in Cloud Computing Arrangements. In August 2018, the FASB issued guidance on implementation costs incurred in a cloud computing arrangement that is a service contract. This guidance aligns the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the guidance on capitalizing costs associated with developing or obtaining internal-use software and also adds certain disclosure requirements related to implementation costs incurred for internal-use software and cloud computing arrangements. This

guidance is effective for fiscal years beginning after December 15, 2019 and for interim periods within those fiscal years, with early adoption permitted. The Company is currently evaluating the impact of the adoption of this guidance on its financial statements and related disclosures.

RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENTS

Revenue from Contracts with Customers. In May 2014, the FASB issued guidance on revenue from contracts with customers. The guidance outlined a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. The guidance also requires disclosures regarding the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. The Company adopted the guidance on January 1, 2018 utilizing the full retrospective transition method with minimal impact on the Company's continuing operations.

The tables below summarize the impact of the adoption of the new revenue standard and reclassifications related to discontinued operations on the Company's Consolidated Income Statements:

	For the year ended December 31, 2017			
Net revenues	**Previously Reported Balance**	**Discontinued Operations [a]**	**New Revenue Standard Adjustment**	**As Reported**
Vacation ownership interest sales	$ 1,689	$ —	$ (5)	$ 1,684
Service and membership fees	1,895	(269)	(27)	1,599
Franchise fees	695	(695)	—	—
Consumer financing	463	—	—	463
Other	334	(297)	23	60
Net revenues	5,076	(1,261)	(9)	3,806
Expenses				
Operating	2,194	(523)	(35)	1,636
Cost of vacation ownership interests	150	—	—	150
Consumer financing interest	74	—	—	74
Marketing and reservation	773	(247)	20	546
General and administrative	648	(75)	7	580
Separation and related costs	51	(25)	—	26
Asset impairments	246	(41)	—	205
Restructuring	15	(1)	—	14
Depreciation and amortization	213	(77)	—	136
Total expenses	4,364	(989)	(8)	3,367
Operating income	712	(272)	(1)	439
Other (income), net	(27)	(1)	—	(28)
Interest expense	156	(1)	—	155
Interest (income)	(7)	1	—	(6)
Income before income taxes	590	(271)	(1)	318
(Benefit) from income taxes	(229)	(101)	2 [b]	(328)
Income from continuing operations	819	(170)	(3)	646
Income from operations of discontinued businesses, net of income taxes	53	170	(14)	209
Net income	872	—	(17)	855
Net income attributable to noncontrolling interest	(1)	—	—	(1)
Net income attributable to Wyndham Destinations shareholders	$ 871	$ —	$ (17)	$ 854
Basic earnings per share				
Continuing operations	$ 7.94	$ (1.65)	$ (0.03)	$ 6.26
Discontinued operations	0.52	1.65	(0.14)	2.03
	$ 8.46	$ —	$ (0.17)	$ 8.29
Diluted earnings per share				
Continuing operations	$ 7.89	$ (1.64)	$ (0.03)	$ 6.22
Discontinued operations	0.51	1.64	(0.13)	2.02
	$ 8.40	$ —	$ (0.16)	$ 8.24

(a) Excludes the impact of the new revenue standard.

(b) Includes a $3 million deferred tax provision resulting from a reduction in deferred tax assets recorded in connection with the retrospective adoption of the new revenue standard and the impact of the lower U.S. corporate income tax rate from the enactment of the U.S. Tax Cuts and Jobs Act.

	For the year ended December 31, 2016			
Net revenues	**Previously Reported Balance**	**Discontinued Operations [a]**	**New Revenue Standard Adjustment**	**As Reported**
Vacation ownership interest sales	$ 1,606	$ —	$ (5)	$ 1,601
Service and membership fees	1,879	(275)	(19)	1,585
Franchise fees	677	(677)	—	—
Consumer financing	440	—	—	440
Other	324	(280)	22	66
Net revenues	4,926	(1,232)	(2)	3,692
Expenses				
Operating	2,144	(507)	(30)	1,607
Cost of vacation ownership interests	146	—	—	146
Consumer financing interest	75	—	—	75
Marketing and reservation	740	(259)	18	499
General and administrative	631	(70)	7	568
Restructuring	14	(2)	—	12
Depreciation and amortization	202	(75)	—	127
Total expenses	3,952	(913)	(5)	3,034
Operating income	974	(319)	3	658
Other (income), net	(21)	—	—	(21)
Interest expense	133	—	—	133
Early extinguishment of debt	11	—	—	11
Interest (income)	(7)	—	—	(7)
Income before income taxes	858	(319)	3	542
Provision for income taxes	313	(124)	1	190
Income from continuing operations	545	(195)	2	352
Income from operations of discontinued businesses, net of income taxes	67	195	(2)	260
Net income	612	—	—	612
Net income attributable to noncontrolling interest	(1)	—	—	(1)
Net income attributable to Wyndham Destinations shareholders	$ 611	$ —	$ —	$ 611
Basic earnings per share				
Continuing operations	$ 4.96	$ (1.78)	$ 0.01	$ 3.19
Discontinued operations	0.60	1.78	(0.01)	2.37
	$ 5.56	$ —	$ —	$ 5.56
Diluted earnings per share				
Continuing operations	$ 4.93	$ (1.77)	$ 0.01	$ 3.17
Discontinued operations	0.60	1.77	(0.02)	2.35
	$ 5.53	$ —	$ (0.01) [b]	$ 5.52

(a) Excludes the impact of the new revenue standard.

(b) EPS includes impact of net income attributable to Wyndham Destinations shareholders which rounds to zero.

The table below summarizes the impact of the adoption of the new revenue standard on the Company's Consolidated Balance Sheet:

	December 31, 2017			
Assets	**Previously Reported Balance**	**Discontinued Operations[a]**	**New Revenue Standard Adjustment**	**As Reported**
Cash and cash equivalents	$ 100	$ (52)	$ —	$ 48
Restricted cash	173	(2)	—	171
Trade receivables, net	385	(194)	4	195
Vacation ownership contract receivables, net	2,901	—	—	2,901
Inventory	1,249	—	—	1,249
Prepaid expenses	144	(27)	1	118
Property and equipment, net	1,081	(259)	—	822
Goodwill	1,336	(425)	—	911
Other intangibles, net	1,084	(941)	—	143
Other assets	521	(215)	22	328
Assets of discontinued operations and held-for-sale business	1,429	2,115	20	3,564
Total assets	$ 10,403	$ —	$ 47	$ 10,450
Liabilities and Equity				
Accounts payable	$ 256	$ (24)	$ —	$ 232
Deferred income	657	(139)	41	559
Accrued expenses and other liabilities	1,094	(236)	(11)	847
Non-recourse vacation ownership debt	2,098	—	—	2,098
Debt	3,909	(1)	—	3,908
Deferred income taxes	790	(191)	14	613
Liabilities of discontinued operations and held-for-sale business	716	591	112	1,419
Total liabilities	9,520	—	156	9,676
Stockholders' equity				
Preferred stock, $.01 par value, authorized 6,000,000 shares, none issued and outstanding	—	—	—	—
Common stock, $.01 par value, 600,000,000 shares authorized, 218,796,817 issued in 2017	2	—	—	2
Treasury stock, at cost – 118,887,441 shares in 2017	(5,719)	—	—	(5,719)
Additional paid-in capital	3,996	—	—	3,996
Retained earnings	2,609	—	(108)	2,501
Accumulated other comprehensive loss	(10)	—	(1)	(11)
Total stockholders' equity	878	—	(109)	769
Noncontrolling interest	5	—	—	5
Total equity	883	—	(109)	774
Total liabilities and equity	$ 10,403	$ —	$ 47	$ 10,450

(a) Excludes the impact of the new revenue standard.

In addition, the cumulative impact to the Company's retained earnings at January 1, 2016, was a decrease of $91 million.

Intra-Entity Transfers of Assets Other Than Inventory. In October 2016, the FASB issued guidance which requires companies to recognize the income tax consequences of an intra-entity transfer of an asset other than inventory when the

transfer occurs. The Company adopted the guidance on January 1, 2018, utilizing the modified retrospective approach, resulting in a cumulative-effect reduction to retained earnings of $19 million.

*Reporting Comprehensive Income - Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income.*In February 2018, the FASB issued guidance which allows for the reclassification of the stranded tax effects resulting from the implementation of the Tax Cuts and Jobs Act of 2017 from accumulated other comprehensive income ("AOCI") to retained earnings. The Company early adopted this guidance in 2018 resulting in an $8 million reclassification from AOCI to Retained Earnings recorded in the period of adoption. The Company's policy for releasing disproportionate income tax effects from AOCI utilizes the aggregate approach.

Derivatives and Hedging - Targeted Improvements to Accounting for Hedging Activities. In August 2017, the FASB issued guidance which better aligns an entity's risk management activities and financial reporting for hedging relationships through changes to both the designation and measurement guidance for qualifying hedging relationships and the presentation of hedge results. The guidance expanded and refined hedge accounting for both non-financial and financial risk components and aligned the recognition and presentation of the effects of the hedging instrument and the hedged item in the financial statements. The Company early adopted this guidance in the fourth quarter of 2018 resulting in an immaterial impact to the Consolidated Financial Statements and related disclosures.

Clarifying the Definition of a Business. In January 2017, the FASB issued guidance clarifying the definition of a business, which assists entities when evaluating whether transactions should be accounted for as acquisitions of businesses or assets. The Company adopted the guidance in 2018 with no material impact on its Consolidated Financial Statements and related disclosures.

Compensation - Stock Compensation. In March 2016, the FASB issued guidance which was intended to simplify several aspects of the accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities, and classification on the statement of cash flows. The Company adopted the guidance on January 1, 2017 and elected to use the prospective transition method. As such, the excess tax benefits from stock-based compensation were presented as part of operating activities within its 2018 and 2017 Consolidated Statements of Cash Flows. During 2018 and 2017, excess tax benefits of $10 million and $8 million were recognized within the Provision for income taxes on the Consolidated Statements of Income.

In May 2017, the FASB issued guidance which provides clarification on when modification accounting should be used for changes to the terms or conditions of a share-based payment award. The Company adopted the guidance in 2018 with no material impact on its Consolidated Financial Statements and related disclosures.

Statement of Cash Flows. In August 2016, the FASB issued guidance intended to reduce diversity in practice in how certain transactions are classified in the statement of cash flows. The Company adopted the guidance in 2018.

Restricted Cash. In November 2016, the FASB issued guidance which requires amounts generally described as restrictedcash be included with cash and cash equivalents when reconciling the total beginning and ending amounts for the periods shown on the statement of cash flows. The Company adopted the guidance in 2018 using a retrospective transition method. The impact of this guidance resulted in escrow deposits and restricted cash being included with Cash, cash equivalents and restricted cash on the Consolidated Statements of Cash Flows.

The tables below summarize the effects of the new statement of cash flows and restricted cash guidance on the Company's Consolidated Statements of Cash Flows:

	Year Ended December 31, 2017			
Increase/(decrease):	**Previously Reported Balance**	**Discontinued Operations**	**New Accounting Standard Adjustment**	**As Reported**
Operating Activities	$ 880	$ (486)	$ 106	$ 500
Investing Activities	(362)	211	—	(151)

	Year Ended December 31, 2017		
	Previously Reported Balance	New Restricted Cash Standard Adjustment	As Reported
Cash, cash equivalents and restricted cash, beginning of period	$ 185	$ 148	$ 333
Cash, cash equivalents and restricted cash, end of period	233	183	416

	Year Ended December 31, 2016			
Increase/(decrease):	Previously Reported Balance	Discontinued Operations	New Accounting Standard Adjustment	As Reported
Operating Activities	$ 846	$ (522)	$ 117	$ 441
Investing Activities	(259)	206	(87)	(140)

	Year Ended December 31, 2016		
	Previously Reported Balance	New Restricted Cash Standard Adjustment	As Reported
Cash, cash equivalents and restricted cash, beginning of period	$ 171	$ 151	$ 322
Cash, cash equivalents and restricted cash, end of period	185	148	333

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the Consolidated Balance Sheets that comprise the total of the cash, cash equivalents and restricted cash shown within the Consolidated Statements of Cash Flows:

	December 31, 2018
Cash and cash equivalents	$ 218
Restricted cash	155
Cash and Restricted cash included in Assets of discontinued operations and held-for-sale business	31
Total cash, cash equivalents and restricted cash	$ 404

	December 31, 2017
Cash and cash equivalents	$ 48
Restricted cash	171
Cash and Restricted cash included in Assets of discontinued operations and held-for-sale business	197
Total cash, cash equivalents and restricted cash	$ 416

3. Revenue Recognition

Vacation Ownership

The Company develops, markets and sells VOIs to individual consumers, provides property management services at resorts and provides consumer financing in connection with the sale of VOIs. The Company's sales of VOIs are either cash sales or developer-financed sales. Developer financed sales are typically collateralized by the underlying VOI. Revenue is recognized on VOI sales upon transfer of control, which is defined as the point in time when a binding sales contract has been executed, the financing contract has been executed for the remaining transaction price, the statutory rescission period has expired and the transaction price has been deemed to be collectible.

For developer-financed sales, the Company reduces the VOI sales transaction price by an estimate of uncollectible consideration at the time of the sale. The Company's estimates of uncollectible amounts are based largely on the results of the Company's static pool analysis which relies on historical payment data by customer class.

In connection with entering into a VOI sale, the Company may provide its customers with certain non-cash incentives, such as credits for future stays at its resorts. For those VOI sales, the Company bifurcates the sale and allocates the sales price between the VOI sale and the non-cash incentive. Non-cash incentives generally have expiration periods of 18 months or less and are recognized at a point in time upon transfer of control.

The Company provides day-to-day property management services including oversight of housekeeping services, maintenance and certain accounting and administrative services for property owners' associations and clubs. These services may also include reservation and resort renovation activities. Such agreements are generally for terms of one year or less, and are renewed automatically on an annual basis. The Company's management agreements contain cancellation clauses, which allow for either party to cancel the agreement, by either a majority board vote or a majority vote of non-developer interests. The Company receives fees for such property management services which are collected monthly in advance and are based upon total costs to operate such resorts (or as services are provided in the case of resort renovation activities). Fees for property management services typically approximate 10% of budgeted operating expenses. The Company is entitled to consideration for reimbursement of costs incurred on behalf of the property owners' association in providing the management services ("reimbursable revenue"). These reimbursable costs principally relate to the payroll costs for management of the associations, club and resort properties where the Company is the employer and are reflected as a component of Operating expenses on the Consolidated Statements of Income. The Company reduces its management fees for amounts it has paid to the property owners' association that reflect maintenance fees for VOIs for which it retains ownership, as the Company has concluded that such payments are consideration payable to a customer.

Property management fee revenues are recognized when the services are performed and are recorded as a component ofService and membership fees on the Consolidated Statements of Income. Property management revenues, which are comprised of management fee revenue and reimbursable revenue, were $665 million, $649 million and $623 million during 2018, 2017 and 2016, respectively. Management fee revenues were $314 million, $285 million and $273 million during 2018, 2017 and 2016, respectively. Reimbursable revenues were $351 million, $364 million and $350 million during 2018, 2017 and 2016, respectively.

Exchange & Rentals

As a provider of vacation exchange services, the Company enters into affiliation agreements with developers of vacation ownership properties to allow owners of VOIs to trade their intervals for intervals at other properties affiliated with the Company's vacation exchange brands and, for some members, for other leisure-related services and products. Additionally, as a marketer of vacation rental properties, generally the Company enters into contracts for exclusive periods of time with property owners to market the rental of such properties to rental customers.

The Company's vacation exchange brands derive a majority of revenues from membership dues and fees for facilitating members' trading of their intervals. Revenues from membership dues represent the fees paid by members or affiliated clubs on their behalf. The Company recognizes revenues from membership dues paid by the member on a straight-line basis over the membership period as the performance obligations are fulfilled by providing access to travel-related products and services. Consideration paid by affiliated clubs for memberships are recognized as revenue over the term of the contract with the affiliated club in proportion to the estimated average monthly member count. Such estimates are adjusted periodically for changes in the actual and forecasted member activity. For additional fees, members have the right to exchange their intervals for intervals at other properties affiliated with the Company's vacation exchange networks and, for certain members, for other leisure-related services and products. Fees for facilitating exchanges are recognized as revenue, net of expected cancellations, when these transactions have been confirmed to the member.

The Company's vacation exchange brands also derive revenues from: (i) additional services, programs with affiliated resorts, club servicing and loyalty programs and (ii) additional exchange-related products that provide members with the ability to protect trading power or points, extend the life of deposits, and combine two or more deposits for the opportunity to exchange into intervals with higher trading power. Other vacation exchange related product fees are deferred and recognized as revenue upon the occurrence of a future exchange, other related transaction or event.

The Company earns revenue from its RCI Elite Rewards co–branded credit card program which is primarily generated by cardholder spending and the enrollment of new cardholders. The advance payments received under the program are recognized as a contract liability until the Company's performance obligations have been satisfied. The program primarily contains two performance obligations: (i) brand performance services, for which revenue is recognized over the contract term on a straight-line basis, and (ii) issuance and redemption of loyalty points, for which revenue is recognized over time based upon the redemption pattern of the loyalty points earned under the program including an estimate of loyalty points that will expire without redemption.

The Company's vacation rental brands derive revenue from fees associated with the rental of vacation rental properties managed and marketed by the Company on behalf of independent owners. The Company remits the rental fee received from the renter to the independent owner, net of the Company's agreed-upon fee. The related revenue from such fees, net of expected refunds, is recognized over the renter's stay. The Company's vacation rental brands also derive revenues from additional services delivered to independent owners, vacation rental guests, and property owners' associations that are generally recognized when the service is delivered.

Other Items

The Company records property management services revenues and RCI Elite Rewards revenues for its Vacation Ownership and Exchange & Rentals segments in accordance with the guidance for reporting revenues gross as a principal versus net as an agent, which requires that these revenues be recorded on a gross basis.

Contract Liabilities

Contract liabilities generally represent payments or consideration received in advance for goods or services that the Company has not yet transferred to the customer. Contract liabilities as of December 31, 2018 and 2017 are as follows:

Contract Liabilities	2018	2017
Deferred subscription revenue	$ 220	$ 229
Deferred VOI trial package revenue	125	108
Deferred VOI incentive revenue	96	102
Deferred exchange-related revenue [(a)]	56	63
Deferred vacation rental revenue [(b)]	—	38
Deferred co-branded credit card programs revenue	14	13
Deferred other revenue	8	3
Total	$ 519	$ 556

(a) Balance includes contractual liabilities to accommodate members for cancellations initiated by the Company due to unexpected events. These amounts are included within Accrued expenses and other liabilities on the Consolidated Balance Sheet.

(b) There is $42 million of deferred vacation rental revenue which is included in Liabilities of discontinued operations and held-for-sale business on the Consolidated Balance Sheet for 2018.

In the Company's vacation ownership business, deferred VOI trial package revenue represents consideration received in advance for a trial VOI, which allows customers to utilize a vacation package typically within one year of purchase. Deferred VOI incentive revenue represents payments received in advance for additional travel-related services and products at the time of a VOI sale. Revenue is recognized when a customer utilizes the additional services and products, which is typically within one year of the VOI sale.

Within the Company's vacation exchange business, deferred subscription revenue represents billings and payments received in advance from members and affiliated clubs for memberships in the Company's vacation exchange programs which are recognized in future periods. Deferred exchange-related revenue primarily represent payments received in

advance from members for the right to exchange their intervals for intervals at other properties affiliated with the Company's vacation exchange networks and for other leisure-related services and products which are generally recognized as revenue within one year. In the Company's vacation rentals business, deferred vacation rental revenue represent billings and payments received in advance of a customer's rental stay which are generally recognized as revenue within one year.

Changes in Contract Liabilities follow:

	Amount
Contract Liabilities as of December 31, 2017	$ 556
Additions	352
Revenue recognized	(341)
Held-for-sale	(38)
Other	(10)
Contract Liabilities as of December 31, 2018	$ 519

Capitalized Contract Costs

The Company's vacation ownership business incurs certain direct and incremental selling costs in connection with VOI trial package and incentive revenues. Such costs are capitalized and subsequently amortized over the utilization period, which is typically within one year of the sale. As of December 31, 2018 and 2017, these capitalized costs were $45 million and $44 million, respectively, and are included within Other assets on the Consolidated Balance Sheet.

The Company's vacation exchange and vacation rentals businesses incur certain direct and incremental selling costs to obtain contracts with customers in connection with subscription revenues, exchange–related revenues, and vacation rental revenues. Such costs, which are primarily comprised of commissions paid to internal and external parties and credit card processing fees, are deferred at the inception of the contract and recognized when the benefit is transferred to the customer. As of December 31, 2018 and 2017, these capitalized costs were $22 million and $13 million, respectively.

Practical Expedients

The Company has not adjusted the consideration for the effects of a significant financing component if it expected, at contract inception, that the period between when the Company satisfied the performance obligation and when the customer paid for that good or service was one year or less.

For contracts with customers that were modified before the beginning of the earliest reporting period presented, the Company did not retrospectively restate the revenue associated with the contract for those modifications. Instead, it reflected the aggregate effect of all prior modifications in determining (i) the performance obligations and transaction prices and (ii) the allocation of such transaction prices to the performance obligations.

Performance Obligations

A performance obligation is a promise in a contract with a customer to transfer a distinct good or service to the customer. The consideration received from a customer is allocated to each distinct performance obligation and recognized as revenue when, or as, each performance obligation is satisfied. The following table summarizes the remaining performance obligations of the Company's continuing operations for the twelve month periods set forth below:

	2019	2020	2021	Thereafter	Total
Subscription revenue	$ 123	$ 53	$ 24	$ 20	$ 220
VOI trial package revenue	125	—	—	—	125
VOI incentive revenue	96	—	—	—	96
Exchange-related revenue	52	2	1	1	56
Co-branded credit card programs revenue	7	4	2	1	14
Other revenue	8	—	—	—	8
Total	$ 411	$ 59	$ 27	$ 22	$ 519

Disaggregation of Net Revenues

The table below presents a disaggregation of the Company's net revenues from contracts with customers by major services and products for each of the Company's segments:

	Year Ended December 31,		
	2018	**2017**	**2016**
Vacation Ownership			
Vacation ownership interest sales	$ 1,769	$ 1,684	$ 1,601
Property management fees and reimbursable revenues	665	649	623
Consumer financing	491	463	440
Fee-for-Service commissions	31	24	46
Ancillary revenues	60	61	64
Total Vacation Ownership	3,016	2,881	2,774
Exchange & Rentals			
Exchange revenues	658	671	665
Vacation rental revenues	170	172	169
Ancillary revenues	90	84	82
Total Exchange & Rentals	918	927	916
Corporate and other			
Eliminations	(3)	(2)	2
Net revenues	$ 3,931	$ 3,806	$ 3,692

4. Earnings Per Share

The computation of basic and diluted earnings per share ("EPS") is based on net income attributable to shareholders divided by the basic weighted average number of common shares and diluted weighted average number of common shares, respectively. The following table sets forth the computation of basic and diluted EPS (in millions, except per share data):

	Year Ended December 31,		
	2018	2017	2016
Income from continuing operations attributable to Wyndham Destinations shareholders	$ 266	$ 645	$ 351
(Loss)/income from operations of discontinued businesses, net of income taxes	(50)	209	260
Income on disposal of discontinued business, net of income taxes	456	—	—
Net income attributable to Wyndham Destinations shareholders	$ 672	$ 854	$ 611
Basic earnings per share			
Continuing operations	$ 2.69	$ 6.26	$ 3.19
Discontinued operations	4.11	2.03	2.37
	$ 6.80	$ 8.29	$ 5.56
Diluted earnings per share			
Continuing operations	$ 2.68	$ 6.22	$ 3.17
Discontinued operations	4.09	2.02	2.35
	$ 6.77	$ 8.24	$ 5.52
Basic weighted average shares outstanding	98.9	103.0	109.9
Stock-settled appreciation rights ("SSARs"), RSUs [a] and PSUs [b]	0.3	0.7	0.7
Diluted weighted average shares outstanding	99.2	103.7	110.6
Dividends:			
Cash dividends per share [c]	$ 1.89	$ 2.32	$ 2.00
Aggregate dividends paid to shareholders	$ 194	$ 242	$ 223

(a) Excludes 1 million of restricted stock units ("RSUs") for the year 2016, which would have been anti-dilutive to EPS. Includes unvested dilutive RSUs which are subject to future forfeitures.

(b) As a result of the spin-off of Wyndham Hotels, the Company accelerated the vesting of PSUs. There were no outstanding PSUs as of 2018. Excludes performance vested restricted stock units ("PSUs") of 0.5 million and 0.6 million for the years 2017 and 2016, respectively, as the Company had not met the required performance metrics.

(c) For the quarterly period ended March 31, 2018 the Company paid cash dividends of $0.66, in each of the following periods ended June 30, September 30 and December 31, 2018, the Company paid cash dividends of $0.41. For each of the quarterly periods in 2017 and 2016, the Company paid cash dividends of $0.58 and $0.50 per share, respectively.

Share Repurchase Program

As of December 31, 2018, the total authorization under the Company's current share repurchase program was$6.0 billion, of which $816 million remains available. Proceeds received from stock option exercises have increased the repurchase capacity by $78 million since the inception of this program. The following table summarizes stock repurchase activity under the current share repurchase program (in millions, except per share data):

	Shares	Cost	Average Price Per Share
As of December 31, 2017	94.4	$ 4,938	$ 52.32
Repurchases prior to spin-off of Wyndham Hotels	0.9	103	114.89
Repurchases after spin-off of Wyndham Hotels	5.3	221	41.31
As of December 31, 2018	100.6	$ 5,262	

5. Acquisitions

Assets acquired and liabilities assumed in business combinations were recorded on the Consolidated Balance Sheets as of the respective acquisition dates based upon their estimated fair values at such dates. The results of operations of businesses acquired by the Company have been included in the Consolidated Statements of Income since their respective dates of acquisition. The excess of the purchase price over the estimated fair values of the underlying assets acquired and liabilities

assumed was allocated to goodwill. In certain circumstances, the allocations of the excess purchase price are based upon preliminary estimates and assumptions. Accordingly, the allocations may be subject to revision when the Company receives final information, including appraisals and other analyses. Any revisions to the fair values during the measurement period will be recorded by the Company as further adjustments to the purchase price allocations. Although, in certain circumstances, the Company has substantially integrated the operations of its acquired businesses, additional future costs relating to such integration may occur. These costs may result from integrating operating systems, relocating employees, closing facilities, reducing duplicative efforts and exiting and consolidating other activities. These costs will be recorded on the Consolidated Statements of Income as expenses.

2018 ACQUISITIONS

La Quinta Holdings Inc. ("La Quinta"). In January 2018, the Company entered into an agreement with La Quinta to acquire its hotel franchising and management businesses for $1.95 billion. At the time we entered into this agreement, we obtained financing commitments of $2.0 billion in the form of an unsecured bridge term loan, which was subsequently replaced with net cash proceeds from the issuance of $500 million unsecured notes, a $1.6 billion term loan and a $750 million revolving credit facility, which was undrawn. This acquisition closed on May 30, 2018, prior to the hotel business spin-off on May 31, 2018. Upon completion of the Spin-off, La Quinta became a wholly-owned subsidiary of Wyndham Hotels and the associated debt was transferred to Wyndham Hotels.

Other. During 2018, the Company completed one other acquisition at its Exchange & Rentals segment for $5 million in cash, net of cash acquired. The preliminary purchase price allocations resulted primarily in the recognition of (i) $4 million of definite-lived intangible assets with a weighted average life of 21 years, (ii) $1 million of goodwill, none of which is expected to be deductible for tax purposes, (iii) less than $1 million in other assets, and (iv) less than $1 million of liabilities.

2017 ACQUISITIONS

Love Home Swap. During July 2017, the Company acquired a controlling interest in Love Home Swap, a United Kingdom home exchange company. The Company had convertible notes which, at the time of acquisition, it converted into a 47% equity ownership interest in Love Home Swap and purchased the remaining 53% of equity for $28 million, net of cash acquired. As a result, the Company recognized a non-cash gain of $13 million, net of transaction costs, resulting from the re-measurement of the carrying value of the Company's 47% ownership interest to its fair value. The purchase price allocations resulted primarily in the recognition of (i) $48 million of goodwill, none of which was deductible for tax purposes, (ii) $6 million of trademarks, (iii) $5 million of other assets and (iv) $6 million of liabilities, all of which were assigned to the Company's Exchange & Rentals segment.

DAE Global Pty Ltd. During October 2017, the Company completed the acquisition of DAE Global Pty, Ltd, an Australian vacation exchange company, and @Work International, a related software company, for a total purchase price of $21 million, net of cash acquired. These acquisitions complement the Company's existing Exchange & Rentals segment. The purchase price allocation resulted in the recognition of (i) $11 million of definite-lived intangible assets, with a weighted average life of 10 years, (ii) $8 million of goodwill, none of which was deductible for tax purposes, (iii) $5 million of other assets, (iv) $3 million of property and equipment, and (v) $6 million of liabilities, all of which were assigned to the Company's Exchange & Rentals segment.

Other. During 2017, the Company completed one other acquisition at its Exchange & Rentals segment for $5 million in cash, net of cash acquired. The preliminary purchase price allocations resulted primarily in the recognition of (i) $12 million in other assets, (ii) $3 million of goodwill, all of which is expected to be deductible for tax purposes, (iii) $1 million of definite-lived intangible assets with a life of 12 years and (iv) $11 million of liabilities.

The Company completed four other acquisitions, which are included in discontinued operations, for $151 million in cash, net of cash acquired, and $1 million of contingent consideration.

2016 ACQUISITIONS

Other. During 2016 the Company completed four acquisitions for a total of $21 million, net of cash acquired. The Company's Exchange & Rentals segment completed two acquisitions for $2 million, net of cash acquired. The Company's Vacation Ownership segment also completed two acquisitions for $19 million. The preliminary purchase price allocations resulted primarily in the recognition of $15 million of property and equipment and $4 million of inventory.

Additionally, the Company completed five other acquisitions, which are included in discontinued operations, for $113 million in cash, net of cash acquired, and $10 million of contingent consideration.

6. Discontinued Operations

On May 9, 2018, the Company completed the previously announced sale of its European vacation rentals business to Compass IV Limited, an affiliate of Platinum Equity, LLC (the "Buyer"). Final net proceeds received were $1.06 billion, including the fourth quarter 2018 release of the escrow deposit ($46 million) in exchange for a secured bonding facility and a perpetual guarantee of $46 million and the January 2019 agreement with the Buyer on certain post-closing adjustments ($27 million). The final after-tax gain on the sale to $456 million, net of $139 million in taxes. Guarantees and indemnifications provided to the seller are discussed in Note 27—*Transactions with Former Parent and Former Subsidiaries*.

On May 31, 2018, the Company completed the spin-off of its hotel business. This transaction was effected through a pro rata distribution of the new hotel entity's stock to existing Wyndham Destinations shareholders. This Spin-off included the newly-acquired La Quinta businesses as discussed in Note 5—*Acquisitions*. In addition, during the second quarter the Company sold its Knights Inn brand and franchise system for $27 million, resulting in a $23 million gain.

For all periods presented, the Company has classified the results of operations for its hotel business and the European vacation rentals business as discontinued operations in its consolidated financial statements and related notes. Discontinued operations include direct expenses clearly identifiable to the businesses being discontinued. The Company does not expect to incur significant ongoing expenses classified as discontinued operations except for certain tax adjustments that may be required as final tax returns are completed. Discontinued operations exclude the allocation of corporate overhead and interest. Discontinued operations included $111 million and 40 million of separation and related costs during 2018 and 2017, respectively.

Prior to the spin-off of the hotel business, the Company had three reportable segments: Vacation Ownership, Destination Network and Hotel Group. Prior to its classification as a discontinued operation, the European vacation rentals business was part of the Destination Network segment and the hotel business comprised the Hotel Group segment. Following the spin-off of the hotel business, the Company changed the structure of its internal organization which caused the composition of its reportable segments to change. The Company now has two reportable segments: Vacation Ownership and Exchange & Rentals as discussed in Note 23—*Segment Information*.

The following table presents the aggregate carrying amounts of the classes of assets and liabilities of discontinued operations:

	December 31, 2017
Assets	
Cash and cash equivalents	$ 184
Restricted cash	12
Trade receivables, net	493
Property and equipment, net	609
Goodwill	855
Other intangibles, net	1,059
Other assets	352
Total assets of discontinued operations	$ 3,564
Liabilities	
Accounts payable	$ 358
Deferred income	436
Accrued expenses and other liabilities	556
Debt	69
Total liabilities of discontinued operations	$ 1,419

The results of our discontinued businesses reflect the adoption of the new revenue recognition standard. For the hotel business, the adoption of the standard required initial fees to be recognized ratably over the life of the noncancelable period

of the franchise agreement and incremental upfront contract costs to be deferred and expensed over the life of the noncancelable period of the franchise agreement. For the European vacation rentals business, the adoption of the standard required revenue from rentals to be recognized over the renters' stay, which is the period over which the service is rendered. Loyalty revenues were deferred and primarily recognized over the loyalty points' redemption pattern. Additionally, a liability is no longer accrued for future marketing and reservation costs when marketing and reservation revenues earned exceed costs incurred. Marketing and reservation costs incurred in excess of revenues earned were expensed as incurred.

The following table presents information regarding certain components of income from discontinued operations, net of income taxes:

	Year Ended December 31,		
	2018	2017	2016
Net revenues	$ 720	$ 2,022	$ 1,930
Expenses:			
Operating	343	874	810
Marketing and reservation	200	434	428
General and administrative	71	171	160
Separation and related costs	111	40	—
Asset impairments	—	41	7
Depreciation and amortization	52	130	125
Total expenses	777	1,690	1,530
Interest expense	—	3	3
Interest (income)	—	(3)	(1)
Other (income), net	—	—	(2)
(Benefit)/provision for income taxes	(7)	123	140
(Loss)/income from operations of discontinued businesses, net of income taxes	(50)	209	260
Income on disposal of discontinued business, net of income taxes	456	—	—
Income on discontinued operations, net of income taxes	$ 406	$ 209	$ 260

The following table presents information regarding certain components of cash flows from discontinued operations:

	Year Ended December 31,		
	2018	2017	2016
Cash flows provided by operating activities	$ 150	$ 486	$ 522
Cash flows (used in) investing activities	(626)	(211)	(206)
Cash flows provided by/(used in) financing activities	2,066	(22)	(12)
Non-cash items:			
Depreciation and amortization	52	131	125
Stock-based compensation	22	11	11
Deferred income taxes	(23)	(11)	24
Property and equipment additions	(38)	(81)	(73)
Net assets of business acquired, net of cash acquired	(1,696)	(142)	(112)
Proceeds from sale of businesses and asset sales	1,099	9	—

7. Held-for-Sale Business

During 2018, the Company decided to explore strategic alternatives for its North American vacation rentals business and during the fourth quarter commenced activities to facilitate the sale of this business. The assets and liabilities of this business have been classified as held-for-sale as of December 31, 2018. The business does not meet the criteria to be

classified as a discontinued operation; therefore, the results were reflected within continuing operations on the Consolidated Statements of Income. This business is currently part of the Exchange & Rentals segment. Total assets of this business at December 31, 2018 were $203 million including $31 million Restricted cash, $82 million Trade receivables, net, $42 million Goodwill and other intangibles, net and $35 million Property & equipment, net. Total liabilities of this business at December 31, 2018 were $165 million including $87 million Accounts payable, $42 million Deferred income and $27 million Accrued expenses and other liabilities.

8. Intangible Assets

Intangible assets consisted of:

	As of December 31, 2018			As of December 31, 2017		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Unamortized Intangible Assets:						
Goodwill	$ 922			$ 911		
Trademarks [a]	$ 51			$ 47		
Amortized Intangible Assets:						
Management agreements [b]	$ 45	$ 24	$ 21	$ 110	$ 48	$ 62
Trademarks [c]	4	4	—	7	5	2
Other [d]	51	14	37	45	13	32
	$ 100	$ 42	$ 58	$ 162	$ 66	$ 96

(a) Comprised of various trademarks that the Company has acquired. These trademarks are expected to generate future cash flows for an indefinite period of time.

(b) Generally amortized over a period ranging from 10 to 20 years with a weighted average life of 15 years.

(c) Generally amortized over a period of 3 to 20 years with a weighted average life of 7 years.

(d) Includes customer lists and business contracts, generally amortized over a period ranging from 3 to 15 years, however, during 2018 we obtained new licensing agreements outside of this range, bringing our weighted average life to 22 years.

Goodwill

During the fourth quarters of 2018, 2017 and 2016, the Company performed its annual goodwill impairment test and determined no impairment existed as the fair value of goodwill at its reporting units was in excess of the carrying value.

The changes in the carrying amount of goodwill are as follows:

	Balance as of December 31, 2017	Adjustments to Goodwill Acquired During 2017	Adjustments to Goodwill During 2018		Foreign Exchange	Balance as of December 31, 2018
Vacation Ownership	$ 27	$ —	$ —		$ —	$ 27
Exchange & Rentals	884	(4)	23	[a]	(8)	895
Total Company	$ 911	$ (4)	$ 23		$ (8)	$ 922

(a) Includes $30 million reclassification from discontinued to continuing operations due to reallocation of goodwill which was triggered by segment reassessment resulting from the sale of European vacation rentals; and $7 million reclass of goodwill related to held-for-sale business.

Amortization expense relating to amortizable intangible assets is included as a component of Depreciation and amortization on the Consolidated Statements of Income, and was as follows:

	2018	2017	2016
Management agreements	$ 8	$ 8	$ 8
Other	4	3	3
Total	$ 12	$ 11	$ 11

Based on the Company's amortizable intangible assets as of December 31, 2018, the Company expects related amortization expense as follows:

	Amount [a]
2019	$ 7
2020	6
2021	6
2022	6
2023	6

(a) Amortization schedule excludes expense associated with intangible assets of the Company's held-for-sale business of $6 million in 2019, $5 million in 2020 through 2022, and $3 million in 2023.

9. Income Taxes

On December 22, 2017 the U.S. enacted the Tax Cuts and Jobs Act, which is also commonly referred to as ''U.S. tax reform'', and significantly changed U.S. corporate income tax laws by reducing the U.S. corporate income tax rate from 35.0% to 21.0% starting in 2018, and imposing a one-time mandatory deemed repatriation tax on undistributed historic earnings of foreign subsidiaries. Other provisions of the law were not effective until January 1, 2018 and include, but are not limited to, creating a territorial tax system which generally eliminates U.S. federal income taxes on dividends from foreign subsidiaries, eliminating or limiting the deduction of certain expenses, and imposing a minimum tax on earnings generated by foreign subsidiaries.

As of December 31, 2017, the Company had made a reasonable estimate for (i) the remeasurement of the Company's net deferred income tax and uncertain tax liabilities based on the new reduced U.S. corporate income tax rate, and (ii) the one-time deemed repatriation tax on our undistributed historic earnings of foreign subsidiaries. In other cases, the Company had not been able to make a reasonable estimate and continues to account for those items based on our existing accounting under generally accepted accounting principles ("GAAP") and the provisions of the tax laws that were in effect prior to enactment. One such case was the Company's intent regarding whether to continue to assert indefinite reinvestment on a part or all of the undistributed foreign earnings. During the fourth quarter of 2018, in accordance with the SEC Staff Accounting Bulletin ("SAB") No. 118 - Income Tax Accounting Implications of the Tax Cuts and Jobs Act, the Company completed its accounting for the tax effects of the U.S. tax reform recorded for 2017.

The following table presents the impact of the accounting for the enactment of U.S. tax reform on our provision/benefit for income taxes for the years ended December 31, 2018 and 2017:

	2018	2017
Remeasurement of net deferred income tax and uncertain tax liabilities	$ (24)	$ (463)
One-time mandatory repatriation tax on undistributed historic earnings of foreign subsidiaries	8	42
Valuation allowance established for the impact of the law on certain tax attributes	(13)	14
Net (benefit) for income taxes impact	$ (29)	$ (407)

Although the one-time mandatory deemed repatriation tax during 2017 and the territorial tax system created as a result of U.S. tax reform generally eliminate U.S. federal income taxes on dividends from foreign subsidiaries, the Company continues to assert that all of the undistributed foreign earnings of $654 million will be reinvested indefinitely as of December 31, 2018. In the event the Company determines not to continue to assert that all or part of its undistributed foreign earnings are permanently reinvested, such a determination in the future could result in the accrual and payment of additional foreign withholding taxes, as well as, U.S. taxes on currency transaction gains and losses, the determination of which is not practicable.

The income tax provision consists of the following for the year ended December 31:

	2018	2017	2016
Current			
Federal	$ (24)	$ 29	$ 85
State	(6)	6	5
Foreign	38	34	28
	8	69	118
Deferred			
Federal	77	(392)	62
State	44	(3)	14
Foreign	1	(2)	(4)
	122	(397)	72
Provision/(benefit) for income taxes	$ 130	$ (328)	$ 190

Pre-tax income for domestic and foreign operations consisted of the following for the year ended December 31:

	2018	2017	2016
Domestic	$ 258	$ 343	$ 462
Foreign	138	(25)	80
Pre-tax income	$ 396	$ 318	$ 542

Deferred income tax assets and liabilities, as of December 31, are comprised of the following:

	2018	2017
Deferred income tax assets:		
Net operating loss carryforward	$ 54	$ 48
Foreign tax credit carryforward	81	64
Tax basis differences in assets of foreign subsidiaries	12	13
Accrued liabilities and deferred income	62	95
Provision for doubtful accounts and loan loss reserves for vacation ownership contract receivables	210	192
Other comprehensive income	63	58
Other	34	16
Valuation allowance [(a)]	(89)	(36)
Deferred income tax assets	427	450
Deferred income tax liabilities:		
Depreciation and amortization	192	185
Installment sales of vacation ownership interests	802	737
Estimated VOI recoveries	71	69
Other comprehensive income	45	38
Other	24	8
Deferred income tax liabilities	1,134	1,037
Net deferred income tax liabilities	$ 707	$ 587
Reported in:		
Other assets	$ 29	$ 26
Deferred income taxes	736	613
Net deferred income tax liabilities	$ 707	$ 587

(a) The valuation allowance of $89 million at December 31, 2018 relates to foreign tax credits, net operating loss carryforwards and certain deferred tax assets of $34 million, $41 million and $14 million, respectively. The valuation allowance of $36 million at December 31, 2017 relates to foreign tax

credits, net operating loss carryforwards and certain deferred tax assets of $14 million, $19 million and $3 million, respectively. The valuation allowance will be reduced when and if the Company determines it is more likely than not that the related deferred income tax assets will be realized.

As of December 31, 2018, the Company's net operating loss carryforwards primarily relate to state net operating losses which are due to expire at various dates, but no later than 2038. As of December 31, 2018, the Company had $81 million of foreign tax credits. The foreign tax credits expire between 2021 and 2027.

The Company's effective income tax rate differs from the U.S. federal statutory rate as follows for the year ended December 31:

	2018	2017	2016
Federal statutory rate	21.0%	35.0%	35.0%
State and local income taxes, net of federal tax benefits	1.7	0.7	1.5
Taxes on foreign operations at rates different than U.S. federal statutory rates	2.1	(0.8)	(1.9)
Taxes on foreign income, net of tax credits	2.7	(2.3)	(2.9)
Valuation allowance	10.8	(2.5)	1.0
Effect of impairment charges	—	6.4	—
Impact of U.S. tax reform	(5.5)	(128.2)	—
Realized foreign currency losses	—	(8.3)	—
Other	—	(3.1)	2.4
	32.8%	(103.1)%	35.1%

The effective income tax rate for 2018 differs from the statutory U.S. Federal income tax rate of 21.0% primarily due to an increase in the valuation allowance on the Company's deferred tax assets. The effective income tax rate for 2017 differs from the statutory U.S. Federal income tax rate of 35.0% primarily due to the net benefit from the impact of the U.S. enactment of the Tax Cuts and Jobs Act.

The following table summarizes the activity related to the Company's unrecognized tax benefits:

	2018	2017	2016
Beginning balance	$ 28	$ 25	$ 22
Increases related to tax positions taken during a prior period	1	4	—
Increases related to tax positions taken during the current period	4	5	5
Decreases related to settlements with taxing authorities	—	(1)	—
Decreases as a result of a lapse of the applicable statute of limitations	(2)	(2)	(1)
Decreases related to tax positions taken during a prior period	(3)	(3)	(1)
Ending balance	$ 28	$ 28	$ 25

The gross amount of the unrecognized tax benefits that, if recognized, would affect the Company's effective tax rate was $28 million, $28 million and $25 million as of December 31, 2018, 2017 and 2016, respectively. The Company accrued potential penalties and interest as a component of Provision for income taxes on the Consolidated Statements of Income related to these unrecognized tax benefits of $1 million, $6 million and $3 million during 2018, 2017 and 2016, respectively. The Company had a liability for potential penalties of $4 million, $4 million and $3 million as of December 31, 2018, 2017 and 2016, respectively and potential interest of $7 million, $5 million and $4 million as of December 31, 2018, 2017 and 2016, respectively. Such liabilities are reported as a component of Accrued expenses and other liabilities on the Consolidated Balance Sheets. The Company does not expect the unrecognized tax benefits to change significantly over the next 12 months.

The Company files U.S., state, and foreign income tax returns in jurisdictions with varying statutes of limitations. The 2015 through 2018 tax years generally remain subject to examination by federal tax authorities. The 2009 through 2018 tax years generally remain subject to examination by many state tax authorities. In significant foreign jurisdictions, the 2011 through 2018 tax years generally remain subject to examination by their respective tax authorities. The statute of limitations is scheduled to expire within 12 months of the reporting date in certain taxing jurisdictions, and the Company believes that it is reasonably possible that the total amount of its unrecognized tax benefits could decrease by $3 million to $5 million.

The Company made cash income tax payments, net of refunds, of$108 million, $219 million and $177 million during 2018, 2017 and 2016, respectively. In addition, the Company made cash income tax payments, net of refunds, of $9 million, $26 million and $19 million during 2018, 2017 and 2016, respectively related to discontinued operations. Such payments exclude income tax related payments made to or refunded by former Parent.

10. Vacation Ownership Contract Receivables

The Company generates vacation ownership contract receivables by extending financing to the purchasers of its VOIs. As of December 31, vacation ownership contract receivables, net consisted of:

	2018	2017
Vacation ownership contract receivables:		
Securitized	$ 2,883	$ 2,553
Non-securitized	888	1,039
Vacation ownership contract receivables, gross	$ 3,771	$ 3,592
Less: Allowance for loan losses	734	691
Vacation ownership contract receivables, net	$ 3,037	$ 2,901

Principal payments due on the Company's vacation ownership contract receivables during each of thefive years subsequent to December 31, 2018 and thereafter are as follows:

	Securitized	Non - Securitized	Total
2019	$ 240	$ 99	$ 339
2020	264	86	350
2021	288	92	380
2022	310	98	408
2023	302	94	396
Thereafter	1,479	419	1,898
	$ 2,883	$ 888	$ 3,771

During 2018, 2017 and 2016, the Company's securitized vacation ownership contract receivables generated interest income of$363 million, $340 million and $332 million, respectively.

During 2018, 2017 and 2016, the Company originated vacation ownership contract receivables of$1.51 billion, $1.39 billion and $1.23 billion, respectively, and received principal collections of $890 million, $866 million and $820 million, respectively. The weighted average interest rate on outstanding vacation ownership contract receivables was 14.1% as of December 31, 2018 and 13.9% as of both December 31, 2017 and 2016, respectively.

The activity in the allowance for loan losses on vacation ownership contract receivables was as follows:

	Amount
Allowance for loan losses as of December 31, 2015	$ 581
Provision for loan losses	342
Contract receivables written off, net	(302)
Allowance for loan losses as of December 31, 2016	621
Provision for loan losses	420
Contract receivables write-offs, net	(350)
Allowance for loan losses as of December 31, 2017	691
Provision for loan losses	456
Contract receivables write-offs, net	(413)
Allowance for loan losses as of December 31, 2018	$ 734

Credit Quality for Financed Receivables and the Allowance for Credit Losses

The basis of the differentiation within the identified class of financed VOI contract receivable is the consumer's FICO score. A FICO score is a branded version of a consumer credit score widely used within the U.S. by the largest banks and lending institutions. FICO scores range from 300 to 850 and are calculated based on information obtained from one or more of the three major U.S. credit reporting agencies that compile and report on a consumer's credit history. The Company updates its records for all active VOI contract receivables with a balance due on a rolling monthly basis to ensure that all VOI contract receivables are scored at least every six months. The Company groups all VOI contract receivables into five different categories: FICO scores ranging from 700 to 850, from 600 to 699, below 600, no score (primarily comprised of consumers for whom a score is not readily available, including consumers declining access to FICO scores and non-U.S. residents) and Asia Pacific (comprised of receivables in the Company's Wyndham Vacation Resort Asia Pacific business for which scores are not readily available).

The following table details an aged analysis of financing receivables using the most recently updated FICO scores (based on the policy described above):

	As of December 31, 2018					
	700+	**600-699**	**<600**	**No Score**	**Asia Pacific**	**Total**
Current	$ 1,996	$ 1,041	$ 166	$ 135	$ 246	$ 3,584
31 - 60 days	22	35	18	6	2	83
61 - 90 days	15	22	13	3	1	54
91 - 120 days	12	17	16	4	1	50
Total	$ 2,045	$ 1,115	$ 213	$ 148	$ 250	$ 3,771

	As of December 31, 2017					
	700+	**600-699**	**<600**	**No Score**	**Asia Pacific**	**Total**
Current	$ 1,849	$ 1,021	$ 166	$ 133	$ 262	$ 3,431
31 - 60 days	19	32	17	5	2	75
61 - 90 days	9	18	13	3	1	44
91 - 120 days	9	16	15	2	—	42
Total	$ 1,886	$ 1,087	$ 211	$ 143	$ 265	$ 3,592

The Company ceases to accrue interest on VOI contract receivables once the contract has remained delinquent for greater than 90 days. At greater than 120 days, the VOI contract receivable is written off to the allowance for loan losses. In accordance with its policy, the Company assesses the allowance for loan losses using a static pool methodology and thus does not assess individual loans for impairment separate from the pool.

11. Inventory

Inventory, as of December 31, consisted of:

	2018	**2017**
Land held for VOI development	$ 4	$ 4
VOI construction in process	45	25
Inventory sold subject to repurchase	33	43
Completed VOI inventory	797	841
Estimated VOI recoveries	286	279
Exchange & Rentals vacation credits and other	59	57
Total inventory	$ 1,224	$ 1,249

During 2018, the Company transferred $23 million of VOI inventory to property and equipment and during 2017, transferred $41 million of VOI inventory to property and equipment. In addition to the inventory obligations listed below, the Company had $6 million of inventory accruals included in Accounts payable on each of the Consolidated Balance Sheets as of December 31, 2018 and 2017.

During 2017, the Company performed an in-depth review of its operations, including its current development pipeline and long-term development plan. In connection with this review, the Company made a decision to no longer pursue future development at certain locations and thus performed a fair value assessment on these locations. As a result, the Company recorded a $135 million non-cash impairment charge primarily related to the write down of land held for VOI development. In addition, the Company recorded a $28 million non-cash impairment charge related to the write down of VOI inventory due to a disruption to VOI sales caused by the impact of the hurricanes on Saint Thomas, U.S. Virgin Islands. See Note 25—*Impairments and Other Charges* for further details.

Inventory Sale Transaction

During 2013, the Company sold real property located in Las Vegas, Nevada and Avon, Colorado to a third-party developer, consisting of vacation ownership inventory and property and equipment. During 2015, the Company sold real property located in Saint Thomas, U.S. Virgin Islands to a third-party developer, consisting of $80 million of vacation ownership inventory, in exchange for $80 million in cash consideration.

The Company recognized no gain or loss on these sales transactions. In accordance with the agreements with the third-party developers, the Company has conditional rights and conditional obligations to repurchase the completed properties from the developers subject to the properties conforming to the Company's vacation ownership resort standards and provided that the third-party developers have not sold the properties to another party. Under the sale of real estate accounting guidance, the conditional rights and obligations of the Company constitute continuing involvement and thus the Company was unable to account for these transactions as a sale.

During 2017, the Company acquired property located in Austin, Texas from a third-party developer for vacation ownership inventory and property and equipment.

In connection with these transactions, the following table summarizes the activity related to the Company’s inventory obligations:

	Avon	Las Vegas	Saint Thomas [a]	Austin	Total
December 31, 2016	$ 32	$ 68	$ 98	$ —	$ 198
Purchases	1	21	45	94	161
Payments	(11)	(29)	(76)	(32)	(148)
Non-cash transfer to debt	—	—	(67)	—	(67)
December 31, 2017	22	60	—	62	144
Purchases	—	31	—	1	32
Payments	(11)	(39)	—	(32)	(82)
December 31, 2018	$ 11	$ 52	$ —	$ 31	$ 94
Reported in 2017:					
Accrued expenses and other liabilities	$ 22	$ 60	$ —	$ 62	$ 144
Total inventory obligations	$ 22	$ 60	$ —	$ 62	$ 144
Reported in 2018:					
Accrued expenses and other liabilities	$ 11	$ 52	$ —	$ 31	$ 94
Total inventory obligations	$ 11	$ 52	$ —	$ 31	$ 94

[a] As a result of consolidation of the Saint Thomas SPE, the inventory obligation is presented within Debt on the Consolidated Balance Sheets.

The Company has committed to repurchase the completed property located in Las Vegas, Nevada from a third-party developer subject to the property meeting the Company's vacation ownership resort standards and provided that the third-party developer has not sold the property to another party. The maximum potential future payments that the Company may be required to make under these commitments was $160 million as of December 31, 2018.

12. Property and Equipment, net

Property and equipment, net, as of December 31, consisted of:

	2018	2017
Land	$ 30	$ 37
Building and leasehold improvements	588	543
Furniture, fixtures and equipment	250	279
Capitalized software	604	600
Capital leases	12	84
Construction in progress	81	124
Total property and equipment	1,565	1,667
Less: Accumulated depreciation and amortization	853	845
Net property and equipment	$ 712	$ 822

During 2018, 2017 and 2016, the Company recorded depreciation and amortization expense from continuing operations of $126 million, $125 million and $116 million, respectively, related to property and equipment. As of both December 31, 2018 and 2017, the Company had accrued capital expenditures of $3 million.

13. Other Assets

Other assets, as of December 31, consisted of:

	2018	2017
Deferred costs	$ 110	$ 130
Non-trade receivables, net	63	42
Deferred tax asset	29	26
Investments	25	24
Deposits	24	23
Tax receivables	6	42
Other	47	41
	$ 304	$ 328

14. Accrued Expenses and Other Liabilities

Accrued expenses and other liabilities, as of December 31, consisted of:

	2018	2017
Accrued payroll and related	$ 263	$ 273
Accrued taxes	117	75
Payables associated with separation activities	102	14
Inventory sale obligation [a]	94	144
Guarantees	74	2
Accrued advertising and marketing	54	20
Deferred rent	43	47
Accrued interest	39	40
Accrued VOI maintenance fees	31	32
Accrued separation	17	27
Accrued legal settlements	14	25
Restructuring liabilities	12	5
Derivative contract liabilities	9	1
Accrued other	135	142
	$ 1,004	$ 847

[a] See Note 11—*Inventory* for details

15. Debt

The Company's indebtedness, as of December 31, consisted of:

	2018	2017
Non-recourse vacation ownership debt: [a]		
Term notes [b]	$ 1,839	$ 1,219
$800 million bank conduit facility (due April 2020) [c]	518	333
$750 million bank conduit facility [d]	—	546
Total	$ 2,357	$ 2,098
Debt: [e]		
$1.5 billion revolving credit facility (due July 2020) [f]	$ —	$ 395
$1.0 billion secured revolving credit facility (due May 2023) [g]	181	—
Commercial paper [h]	—	147
$325 million term loan (due March 2021) [f]	—	324
$300 million secured term loan B (due May 2025) [i]	296	—
$450 million 2.50% senior unsecured notes (due March 2018) [j]	—	450
$40 million 7.375% secured notes (due March 2020) [k]	40	40
$250 million 5.625% secured notes (due March 2021) [k]	249	248
$650 million 4.25% secured notes (due March 2022) [k] [l]	649	648
$400 million 3.90% secured notes (due March 2023) [k] [m]	405	406
$300 million 5.40% secured notes (due April 2024) [k] [n]	297	297
$350 million 6.35% secured notes (due October 2025) [k] [o]	341	340
$400 million 5.75% secured notes (due April 2027) [k] [p]	388	396
Capital leases [q]	3	72
Other	32	145
Total	$ 2,881	$ 3,908

(a) Represents non-recourse debt that is securitized through bankruptcy-remote special purpose entities ("SPEs"), the creditors of which have no recourse to the Company for principal and interest. These outstanding borrowings (which legally are not liabilities of the Company) are collateralized by $3.03 billion and $2.68 billion of underlying gross vacation ownership contract receivables and related assets (which legally are not assets of the Company) as of December 31, 2018 and 2017, respectively.

(b) The carrying amounts of the term notes are net of debt issuance costs of $21 million and $15 million as of December 31, 2018 and 2017, respectively.

(c) The Company has borrowing capability under the Sierra Receivable Funding Conduit II 2008-A facility through April 2020. Borrowings under this facility are required to be repaid as the collateralized receivables amortize but no later than May 2021.

(d) As of December 2018, this facility was terminated.

(e) The carrying amounts of the secured notes and term loan are net of unamortized discounts of $11 million and $14 million as of December 31, 2018 and 2017, respectively. The carrying amounts of the secured notes and term loan are net of debt issuance costs of $6 million and $5 million as of December 31, 2018 and 2017, respectively.

(f) In connection with the hotel spin-off and entry into new credit facilities, this credit facility and term loan were terminated effective May 31, 2018.

(g) As of December 31, 2018, the weighted average interest rate on borrowing from this facility was 4.42%.

(h) The Company's European and U.S. commercial paper programs were terminated during 2018.

(i) Commencing December 31, 2018, this loan requires quarterly principal payments of $750 thousand.

(j) The Company repaid these notes in 2018.

(k) These notes were previously unsecured; however, with the issuance of the $1.0 billion revolving credit facility and the $300 million term loan B, these notes are now secured by assets and properties as identified in the related security agreement.

(l) Includes $1 million and $2 million of unamortized gains from the settlement of a derivative as of both December 31, 2018 and 2017.

(m) Includes $6 million and $8 million of unamortized gains from the settlement of a derivative as of December 31, 2018 and 2017, respectively.

(n) Effective October 1, 2018, the interest rate on these notes were increased from 4.15% to 5.40% as a result of these notes being downgraded subsequent to the spin-off of Wyndham Hotels.

(o) Effective October 1, 2018, the interest rate on these notes were increased from 5.10% to 6.35% as a result of these notes being downgraded subsequent to the spin-off of Wyndham Hotels. Includes $7 million and $8 million of unamortized losses from the settlement of a derivative as of December 31, 2018 and 2017, respectively.

(p) Effective October 1, 2018, the interest rate on the note was increased from 4.50% to 5.75% as a result of these notes being downgraded subsequent to the spin-off of Wyndham Hotels. Includes an $8 million decrease and $1 million increase in the carrying value resulting from a fair value hedge derivative as of December 31, 2018 and 2017, respectively.

(q) Decrease is related to conveyance of the lease for Wyndham Worldwide headquarters to Wyndham Hotels as part of the Spin-off. Refer to Note 27—*Transactions with Former Parent and Former Subsidiaries* for additional detail.

Maturities and Capacity

The Company's outstanding debt as of December 31, 2018 matures as follows:

	Non-recourse Vacation Ownership Debt	Debt	Total
Within 1 year	$ 195	$ 38	$ 233
Between 1 and 2 years	198	43	241
Between 2 and 3 years	640	252	892
Between 3 and 4 years	200	652	852
Between 4 and 5 years	215	588	803
Thereafter	909	1,308	2,217
	$ 2,357	$ 2,881	$ 5,238

Required principal payments on the non-recourse vacation ownership debt are based on the contractual repayment terms of the underlying vacation ownership contract receivables. Actual maturities may differ as a result of prepayments by the vacation ownership contract receivable obligors.

As of December 31, 2018, the available capacity under the Company's borrowing arrangements was as follows:

	Non-recourse Conduit Facilities (a)	Revolving Credit Facilities (b)
Total capacity	$ 800	$ 1,000
Less: Outstanding borrowings	518	181
Letters of credit	—	35
Available capacity	$ 282	$ 784

(a) Consists of the Company's Sierra Receivable Funding Conduit II 2008-A facility. The capacity of this facility is subject to the Company's ability to provide additional assets to collateralize additional non-recourse borrowings.

(b) Consists of the Company's $1.0 billion secured revolving credit facility.

Non-recourse Vacation Ownership Debt

As discussed in Note 16—*Variable Interest Entities*, the Company issues debt through the securitization of vacation ownership contract receivables.

Sierra Timeshare 2018-1 Receivables Funding, LLC. During April 2018, the Company closed on a private placement of a series of term notes payable, issued by Sierra Timeshare 2018-1 Receivables Fundings, LLC, with an initial principal amount of $350 million, which are secured by vacation ownership contract receivables and bear interest at a weighted average coupon rate of 3.73%. The advance rate for this transaction was 90.0%. As of December 31, 2018, the Company had $233 million of outstanding borrowings under these term notes, net of debt issuance costs.

Sierra Timeshare 2018-2 Receivables Funding LLC. During July, 2018, the Company closed on a placement of a series of term notes payable, issued by Sierra Timeshare 2018-2 Receivables Funding, LLC, with an initial principal amount of $500 million, which are secured by vacation ownership contract receivables and bear interest at a weighted average coupon rate of 3.65%. The advance rate for this transaction was 88.65%. As of December 31, 2018, the Company had $386 million of outstanding borrowings under these term notes, net of debt issuance costs.

Sierra Timeshare 2018-3 Receivables Funding LLC. During October, 2018, the Company closed on the placement of a series of term notes payable, issued by Sierra Timeshare 2018-3 Receivables Funding, LLC with an aggregate principle amount of $350 million maturing in September 2035. These notes are secured by vacation ownership contract receivables, and bear interest at a weighted average coupon rate of 4.02%. The advance rate for this transaction was 98.0%. The recourse on these notes is limited to the extent of the collateral. No other assets of the Company will be available to pay the notes. As of December 31, 2018, the Company had $311 million of outstanding borrowings under these term notes, net of debt issuance costs.

Premium Yield Facility 2018-A Class A. During December 2018, the Company closed on a private placement securitization facility in the initial principal amount of $279 million, utilizing previously non-securitized vacation ownership contract receivables. The advance rate for this transaction was 70.0%. These borrowings bear interest at a coupon rate of 4.73% and are secured by vacation ownership contract receivables. As of December 31, 2018, the Company had $278 million of outstanding borrowings under this facility, net of debt issuance costs.

Term Notes. In addition to the 2018 term notes described above, as of December 31, 2018, the Company had $631 million of outstanding non-recourse borrowings, net of debt issuance costs, under term notes entered into prior to December 31, 2017. The Company's non-recourse term notes include fixed and floating rate term notes for which the weighted average interest rate was 4.1%, 3.7% and 3.6% during 2018, 2017 and 2016, respectively.

Sierra Timeshare Conduit Receivables Funding II, LLC. During April 2018, the Company renewed its non-recourse timeshare receivables conduit facility for a two-year period through April 2020 and increased capacity to $800 million. The facility bears interest at variable rates based on the base rate (currently 5.50%) or the London Interbank Offered Rate (LIBOR) rate plus a spread. Borrowings under this facility are required to be repaid as the collateralized receivables amortize, no later than May 2021.

Sierra Timeshare Conduit Receivables Funding III, LLC. The Company has a non-recourse timeshare receivables conduit facility with a total capacity of $750 million and bears interest at variable rates based on the base rate or the LIBOR rate plus a spread. Borrowings under this facility are required to be repaid as the collateralized receivables amortize, no later than January 2020. As of December 2018, this facility was terminated.

As of December 31, 2018, the Company's non-recourse vacation ownership debt of $2.36 billion was collateralized by $3.03 billion of underlying gross vacation ownership contract receivables and related assets. Additional usage of the capacity of the Company's non-recourse bank conduit facilities are subject to the Company's ability to provide additional assets to collateralize such facilities. The combined weighted average interest rate on the Company's total non-recourse vacation ownership debt was 4.2% during 2018 and 3.6% during both 2017 and 2016.

Debt

New credit agreement. On May 31, 2018, the Company entered into a credit agreement with Bank of America, N.A. as administrative agent and collateral agent. The agreement provides for new senior secured credit facilities in the amount of $1.3 billion, consisting of secured term loan B of $300 million maturing in 2025 and a new revolving facility of $1.0

billion maturing in 2023. The interest rate per annum applicable to the term loan B is equal to, at the Company's option, either a base rate plus a margin of 1.25% or LIBOR plus a margin of 2.25%. The interest rate per annum applicable to borrowings under the new revolving credit facility is equal to, at the Company's option, either a base rate plus a margin ranging from 0.75% to 1.25% or LIBOR plus a margin ranging from 1.75% to 2.25%, in either case based upon the first-lien leverage ratio of Wyndham Destinations and its restricted subsidiaries. The LIBOR rate with respect to either term loan B or revolving credit facility borrowings are subject to a "floor" of 0.00%.

In connection with the new credit agreement, the Company entered into a security agreement with Bank of America, N.A., as collateral agent, as defined in the security agreement, for the secured parties. The security agreement granted a security interest in the collateral of the Company and added the holders of Wyndham Destinations' outstanding 7.375% notes due 2020, 5.625% notes due 2021, 4.25% notes due 2022, 3.90% notes due 2023, 5.40% notes due 2024, 6.35% notes due 2025 and 5.75% notes due 2027, as "secured parties," as defined in the security agreement, that share equally and ratably in the collateral owned by the Company for so long as indebtedness under the credit agreement is secured by such collateral.

Separation and related debt activity. In connection with the Spin-off and the entry into the credit facilities described above, on May 31, 2018, the Company used net proceeds from the secured term loan B and $220 million of borrowings under the new $1.0 billion revolving credit facility to repay $484 million of outstanding principal borrowings under its revolving credit facility maturing in 2020. In addition, effective May 31, 2018, the Company terminated the $1.5 billion revolving credit facility maturing in 2020, the $400 million 364-day credit facility maturing in 2018 and the $325 million term loan maturing in 2021.

In January 2018, the Company entered into an agreement with La Quinta to acquire its hotel franchising and management businesses for $1.95 billion. At the time we entered into this agreement, we obtained financing commitments of $2.0 billion in the form of an unsecured bridge term loan, which was subsequently replaced with net cash proceeds from the issuance of $500 million unsecured notes, a $1.6 billion term loan and a $750 million revolving credit facility, which was undrawn. This acquisition closed on May 30, 2018, prior to the spin-off of Wyndham Hotels. Upon completion of the Spin-off, La Quinta became a wholly-owned subsidiary of Wyndham Hotels and the associated debt remained debt of Wyndham Hotels for which we are not liable.

Following the Spin-off, the Company's corporate notes were downgraded by Standard & Poor's Ratings Services ("S&P") and Moody's Investors Service, Inc. ("Moody's"). As a result of such notes being downgraded, pursuant to the terms of the indentures governing the Company's 4.15% Notes due 2024 (the "2024 Notes") were increased to 5.40%, the 5.10% Notes due 2025 (the "2025 Notes") were increased to 6.35%, and the 4.50% Notes due 2027 (the "2027 Notes") were increased to 5.75% per annum, respectively. Pursuant to the terms of the indentures governing such series of notes, the interest rate on each such series of notes may be subject to future increases or decreases, as a result of future downgrades or upgrades to the credit ratings of such notes by S&P, Moody's or a substitute rating agency.

Commercial Paper. The Company terminated its European and U.S. commercial paper programs during the first and second quarter of 2018, respectively. Prior to termination, the U.S. and European commercial paper programs had total capacities of $750 million and $500 million, respectively. As of December 31, 2018, the Company had no outstanding borrowings under these programs. As of December 31, 2017, the Company had outstanding borrowings of $147 million at a weighted average interest rate of 2.34% under its U.S. commercial paper program.

Secured Notes. As of December 31, 2018, the Company had $2.37 billion of outstanding secured notes issued prior to December 31, 2017. Interest is payable semi-annually in arrears on the notes. The notes are redeemable at the Company's option at a redemption price equal to the greater of (i) the sum of the principal being redeemed and (ii) a "make-whole" price specified in the Indenture of the notes, plus, in each case, accrued and unpaid interest. These notes rank equally in right of payment with all of the Company's other secured indebtedness.

Capital Leases. Wyndham Worldwide leased its Corporate headquarters in Parsippany, NJ. The lease was recorded as a capital lease obligation with a corresponding capital lease asset which was recorded net of deferred rent. As of May 31, 2018, the Parsippany lease was conveyed to Wyndham Hotels during the Spin-off. Refer to Note 27—*Transactions with Former Parent and Former Subsidiaries* for additional detail.

Other. During 2015, the Company entered into an agreement with a third-party partner whereby the partner would develop and construct VOI inventory through an SPE. The SPE financed the development and construction with a four-year bank mortgage note. During the first quarter of 2017, the third-party partner met certain conditions of the agreement, which resulted in the Company committing to purchase $51 million of VOI inventory located in Clearwater, Florida, from the SPE over a two-year period. Such proceeds from the purchase will be used by the SPE to repay the mortgage notes. The

Company is considered to be the primary beneficiary for specified assets and liabilities of the SPE and, therefore, the Company consolidated such assets and liabilities within its Consolidated Financial Statements. As of December 31, 2018, the Company completed its obligation under the notes.

During 2015, the Company sold real property located in Saint Thomas, U.S. Virgin Islands to a third-party developer to construct VOI inventory through an SPE. The SPE financed the development and construction with a mortgage note. During the fourth quarter of 2017, the economics of the transaction changed, and as a result, the Company determined that it was the primary beneficiary, and as such, the Company consolidated the assets and liabilities of the SPE within its Consolidated Financial Statements. As of December 31, 2018, the Company's obligation under the mortgage note was $32 million, with principal and interest payable semi-annually (see Note 16—*Variable Interest Entities* for further details).

Deferred Financing Costs

The Company classifies debt issuance costs related to its revolving credit facilities and the bank conduit facilities within Other assets on the Consolidated Balance Sheets.

Fair Value Hedges

During the first quarter of 2017, the Company entered into pay-variable/receive-fixed interest rate swap agreements on its 5.75% secured notes with notional amounts of $400 million. The fixed interest rates on these notes were effectively modified to a variable LIBOR-based index. As of December 31, 2018, the variable interest rate on the notional portion of the 5.75% secured notes was 4.71%, the effective rate due to the aforementioned 2027 Notes downgrade was 5.96%. The market valuation of the swap agreements resulted in $8 million of liabilities, which was offset by an $8 million reduction in the carrying value of the hedged debt. These balances are included within Accrued expenses and other liabilities and Debt, respectively, on the Consolidated Balance Sheet as of December 31, 2018.

During 2013, the Company entered into pay-variable/receive-fixed interest rate swap agreements on its 3.90% and 4.25% senior unsecured notes with notional amounts of $400 million and $100 million, respectively. The fixed interest rates on these notes were effectively modified to a variable LIBOR-based index. During May 2015, the Company terminated the swap agreements resulting in a gain of $17 million, which is being amortized over the remaining life of the senior unsecured notes as a reduction to Interest expense on the Consolidated Statements of Income. The Company had $7 million and $9 million of deferred gains as of December 31, 2018 and 2017, respectively, which are included within Debt on the Consolidated Balance Sheets.

Early Extinguishment of Debt Expense

During 2016, the Company redeemed the remaining portion of its 6.00% senior unsecured notes for a total of $327 million. As a result, the Company incurred an $11 million loss during 2016, which is included within Early extinguishment of debt on the Consolidated Statements of Income.

Debt Covenants

The revolving credit facilities and term loan B are subject to covenants including the maintenance of specific financial ratios as defined in the credit agreement. Commencing with the fiscal quarter ending September 30, 2018, the financial ratio covenants consist of a minimum interest coverage ratio of at least 2.5 to 1.0 as of the measurement date and a maximum first lien leverage ratio not to exceed 4.25 to 1.0 as of the measurement date. The interest coverage ratio is calculated by dividing consolidated EBITDA (as defined in the credit agreement) by consolidated interest expense (as defined in the credit agreement), both as measured on a trailing 12-month basis preceding the measurement date. As of December 31, 2018, our interest coverage ratio was 6.2 to 1.0. The first lien leverage ratio is calculated by dividing consolidated first lien debt (as defined in the credit agreement) as of the measurement date by consolidated EBITDA (as defined in the credit agreement) as measured on a trailing 12-month basis preceding the measurement date. As of December 31, 2018, our first lien leverage ratio was 2.8 to 1.0. These ratios do not include interest expense or indebtedness related to any qualified securitization financing (as defined in the credit agreement). As of December 31, 2018, we were in compliance with all of the financial covenants described above.

Interest Expense

The Company incurred interest expense of $170 million during 2018. Such amount consisted primarily of interest on debt, excluding non-recourse vacation ownership debt and including an offset of $2 million of capitalized interest. Cash paid related to such interest was $159 million.

The Company incurred interest expense of $155 million during 2017. Such amount consisted primarily of interest on debt, excluding non-recourse vacation ownership debt and including an offset of $2 million of capitalized interest. Cash paid related to such interest was $152 million.

The Company incurred interest expense of $133 million during 2016. Such amount consisted primarily of interest on debt, excluding non-recourse vacation ownership debt and including an offset of $4 million of capitalized interest. Cash paid related to such interest was $136 million.

Interest expense incurred in connection with the Company's non-recourse vacation ownership debt was $88 million, $74 million and $75 million during 2018, 2017 and 2016, respectively, and is reported within Consumer financing interest on the Consolidated Statements of Income. Cash paid related to such interest was $58 million, $49 million and $51 million during 2018, 2017 and 2016, respectively.

Transition from LIBOR

The Company is currently evaluating the impact of the transition from LIBOR as an interest rate benchmark to other potential alternative reference rates, including but not limited to the Secured Overnight Financing Rate ("SOFR"). Currently the Company has several debt and derivative instruments in place that reference LIBOR-based rates. The transition from LIBOR is estimated to take place in 2021 and management will continue to actively assess the related opportunities and risks involved in this transition.

16. Variable Interest Entities

The Company pools qualifying vacation ownership contract receivables and sells them to bankruptcy-remote entities. Vacation ownership contract receivables qualify for securitization based primarily on the credit strength of the VOI purchaser to whom financing has been extended. Vacation ownership contract receivables are securitized through bankruptcy-remote SPEs that are consolidated within the Consolidated Financial Statements. As a result, the Company does not recognize gains or losses resulting from these securitizations at the time of sale to the SPEs. Interest income is recognized when earned over the contractual life of the vacation ownership contract receivables. The Company services the securitized vacation ownership contract receivables pursuant to servicing agreements negotiated on an arms-length basis based on market conditions. The activities of these SPEs are limited to (i) purchasing vacation ownership contract receivables from the Company's vacation ownership subsidiaries, (ii) issuing debt securities and/or borrowing under a conduit facility to fund such purchases and (iii) entering into derivatives to hedge interest rate exposure. The bankruptcy-remote SPEs are legally separate from the Company. The receivables held by the bankruptcy-remote SPEs are not available to creditors of the Company and legally are not assets of the Company. Additionally, the non-recourse debt that is securitized through the SPEs is legally not a liability of the Company and thus, the creditors of these SPEs have no recourse to the Company for principal and interest.

The assets and liabilities of these vacation ownership SPEs are as follows:

	December 31, 2018	December 31, 2017
Securitized contract receivables, gross [a]	$ 2,883	$ 2,553
Securitized restricted cash [b]	120	106
Interest receivables on securitized contract receivables [c]	23	22
Other assets [d]	3	4
Total SPE assets	3,029	2,685
Non-recourse term notes [e][f]	1,839	1,219
Non-recourse conduit facilities [e]	518	879
Other liabilities [g]	3	2
Total SPE liabilities	2,360	2,100
SPE assets in excess of SPE liabilities	$ 669	$ 585

[a] Included in Vacation ownership contract receivables, net on the Consolidated Balance Sheets.
[b] Included in Restricted cash on the Consolidated Balance Sheets.
[c] Included in Trade receivables, net on the Consolidated Balance Sheets.
[d] Primarily includes deferred financing costs for the bank conduit facility and a security investment asset, which is included in Other assets on the Consolidated Balance Sheets.

(e) Included in Non-recourse vacation ownership debt on the Consolidated Balance Sheets.

(f) Includes deferred financing costs of $21 million and $15 million as of December 31, 2018 and 2017, respectively, related to non-recourse debt.

(g) Primarily includes accrued interest on non-recourse debt, which is included in Accrued expenses and other liabilities on the Consolidated Balance Sheets.

In addition, the Company has vacation ownership contract receivables that have not been securitized through bankruptcy-remote SPEs. Such gross receivables were $888 million and $1.04 billion as of December 31, 2018 and 2017, respectively. A summary of total vacation ownership receivables and other securitized assets, net of securitized liabilities and the allowance for loan losses, is as follows:

	December 31, 2018	December 31, 2017
SPE assets in excess of SPE liabilities	$ 669	$ 585
Non-securitized contract receivables	888	1,039
Less: Allowance for loan losses	734	691
Total, net	$ 823	$ 933

Midtown 45, NYC Property

During January 2013, the Company entered into an agreement with a third-party partner whereby the partner acquired the Midtown 45 property in New York City through an SPE. The Company is managing and operating the property for rental purposes while the Company converts it into VOI inventory. The SPE financed the acquisition and planned renovations with a four-year mortgage note and mandatorily redeemable equity provided by related parties of such partner. At the time of the agreement, the Company committed to purchase such VOI inventory from the SPE over a four-year period which will be used to repay thefour-year mortgage note and the mandatorily redeemable equity of the SPE. The Company was considered to be the primary beneficiary of the SPE and therefore, the Company consolidated the SPE within its financial statements. During the first quarter of 2017, the Company made its final purchase of VOI inventory from the SPE, and the mortgage note and redeemable equity were extinguished.

Clearwater, FL Property

During 2015, the Company entered into an agreement with a third-party partner whereby the partner would develop and construct VOI inventory through an SPE. During the first quarter of 2017, the third-party partner met certain conditions of the agreement, which resulted in the Company committing to purchase $51 million of VOI inventory from the SPE over a two-year period. Such proceeds from the purchase will be used by the SPE to repay its mortgage notes related to the property. The Company is considered to be the primary beneficiary for specified assets and liabilities of the SPE and, therefore, the Company consolidated $51 million of both property and equipment and debt on its Consolidated Balance Sheet. During the fourth quarter of 2018, the Company made its final purchase of VOI inventory from the SPE, and the mortgage note was extinguished.

Saint Thomas, U.S. Virgin Islands Property

During 2015, the Company sold real property located in Saint Thomas, U.S. Virgin Islands to a third-party developer to construct VOI inventory through an SPE. In accordance with the agreements with the third-party developer, the Company has conditional rights and conditional obligations to repurchase the completed property from the developer subject to the property conforming to the Company's vacation ownership resort standards and provided that the third-party developer has not sold the property to another party.

As a result of a disruption to VOI sales caused by the impact of the hurricanes on Saint Thomas, U.S. Virgin Islands in 2017, there was a change in the economics of the transaction due to a reduction in the fair value of the assets of the SPE. As such, the Company is now considered the primary beneficiary for specified assets and liabilities of the SPE, and therefore consolidated $64 million of property and equipment and $104 million of debt on its Consolidated Balance Sheet. As a result of this consolidation, the Company incurred a non-cash $37 million loss due to a write-down of property and equipment to fair value. Such loss is presented within Asset impairments on the Consolidated Statements of Income (see Note 25—*Impairments and Other Charges* for further details).

The assets and liabilities of the Clearwater, FL property and Saint Thomas property SPEs are as follows:

	December 31, 2018	December 31, 2017
Property and equipment, net	$ 23	$ 90
Total SPE assets	23	90
Debt [(a)]	32	131
Total SPE liabilities	32	131
SPE deficit	$ (9)	$ (41)

(a) Included $32 million and $131 million relating to mortgage notes, which were included in Debt on the Consolidated Balance Sheet as of December 31, 2018 and 2017, respectively.

During 2018 and 2017, the SPEs conveyed $67 million and $38 million, respectively, of property and equipment to the Company. In addition, the Company subsequently transferred $28 million of property and equipment to VOI inventory during 2018 and transferred $52 million of VOI inventory to property and equipment during 2017.

17. Fair Value

The Company measures its financial assets and liabilities at fair value on a recurring basis and utilizes the fair value hierarchy to determine such fair values. Financial assets and liabilities carried at fair value are classified and disclosed in one of the following three categories:

Level 1: Quoted prices for identical instruments in active markets.

Level 2: Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value driver is observable.

Level 3: Unobservable inputs used when little or no market data is available. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the fair value measurement falls has been determined based on the lowest level input (closest to Level 3) that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the asset or liability.

As of December 31, 2018, the Company had interest rate swap contracts resulting in $8 million of liabilities which are included within Accrued expenses and other liabilities and foreign exchange contracts resulting in less than $1 million of assets which are included within Other assets on the Consolidated Balance Sheet. On a recurring basis, such assets and liabilities are remeasured at estimated fair value (all of which are Level 2) and thus are equal to the carrying value.

The Company's derivative instruments primarily consist of pay-fixed/receive-variable interest rate swaps, pay-variable/receive-fixed interest rate swaps, interest rate caps, and foreign exchange forward contracts (see Note 18—*Financial Instruments* for additional details). For assets and liabilities that are measured using quoted prices in active markets, the fair value is the published market price per unit multiplied by the number of units held without consideration of transaction costs. Assets and liabilities that are measured using other significant observable inputs are valued by reference to similar assets and liabilities. For these items, a significant portion of fair value is derived by reference to quoted prices of similar assets and liabilities in active markets. For assets and liabilities that are measured using significant unobservable inputs, fair value is primarily derived using a fair value model, such as a discounted cash flow model.

The fair value of financial instruments is generally determined by reference to market values resulting from trading on a national securities exchange or in an over-the-counter market. In cases where quoted market prices are not available, fair value is based on estimates using present value or other valuation techniques, as appropriate. The carrying amounts of cash and cash equivalents, restricted cash, trade receivables, accounts payable and accrued expenses and other current liabilities approximate fair value due to the short-term maturities of these assets and liabilities.

The carrying amounts and estimated fair values of all other financial instruments are as follows:

	December 31, 2018		December 31, 2017	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
Assets				
Vacation ownership contract receivables, net (Level 3)	$ 3,037	$ 3,662	$ 2,901	$ 3,489
Debt				
Total debt (Level 2)	$ 5,238	$ 4,604	$ 6,006	$ 6,084

The Company estimates the fair value of its vacation ownership contract receivables using a discounted cash flow model which it believes is comparable to the model that an independent third-party would use in the current market. The model uses Level 3 inputs consisting of default rates, prepayment rates, coupon rates and loan terms for the contract receivables portfolio as key drivers of risk and relative value that, when applied in combination with pricing parameters, determines the fair value of the underlying contract receivables.

The Company estimates the fair value of its non-recourse vacation ownership debt by obtaining Level 2 inputs comprised of indicative bids from investment banks that actively issue and facilitate the secondary market for timeshare securities. The Company estimates the fair value of its debt, excluding capital leases, using Level 2 inputs based on indicative bids from investment banks and determines the fair value of its notes using quoted market prices (such notes are not actively traded).

18. Financial Instruments

The designation of a derivative instrument as a hedge and its ability to meet the hedge accounting criteria determine how the change in fair value of the derivative instrument will be reflected on the Consolidated Financial Statements. A derivative qualifies for hedge accounting if, at inception, the derivative is expected to be highly effective in offsetting the underlying hedged cash flows or fair value and the hedge documentation standards are fulfilled at the time the Company enters into the derivative contract. A hedge is designated as a cash flow hedge based on the exposure being hedged. The asset or liability value of the derivative will change in tandem with its fair value. Changes in fair value, for the effective portion of qualifying cash flow hedges, are recorded in AOCI. The derivative's gain or loss is released from AOCI to match the timing of the underlying hedged cash flows effect on earnings. A hedge is designated as a fair value hedge when the derivative is used to manage an exposure to changes in the fair value of a recognized asset or liability. For fair value hedges, the portion of the gain or loss on the derivative instrument designated as a fair value hedge will be recognized in earnings. The Company concurrently records changes in the value of the hedged asset or liability via a basis adjustment to the hedged item. These two changes in fair value offset one another in whole or in part and are reported in the same income statement line item as the hedged risk.

The Company reviews the effectiveness of its hedging instruments on an ongoing basis, recognizes current period hedge ineffectiveness immediately in earnings and discontinues hedge accounting for any hedge that it no longer considers to be highly effective. The Company recognizes changes in fair value for derivatives not designated as hedges or those not qualifying for hedge accounting in current period earnings. Upon termination of cash flow hedges, the Company releases gains and losses from AOCI based on the timing of the underlying cash flows, unless the termination results from the failure of the intended transaction to occur in the expected time frame. Such untimely transactions require the Company to immediately recognize in earnings gains and losses previously recorded in AOCI.

Changes in interest rates and foreign exchange rates expose the Company to market risk. The Company has used cash flow and fair value hedges as part of its overall strategy to manage its exposure to market risks associated with fluctuations in interest rates and foreign currency exchange rates. As a matter of policy, the Company only enters into transactions that it believes will be highly effective at offsetting the underlying risk and it does not use derivatives for trading or speculative purposes.

In the fourth quarter of 2018, the Company adopted new guidance from the FASB intended to better align risk management activities and financial reporting for hedging relationships through changes to both the designation and measurement guidance for qualifying hedging relationships and the presentation of hedge results. The result of adopting this guidance was immaterial to the financial statements and related disclosures.

The Company uses the following derivative instruments to mitigate its foreign currency exchange rate and interest rate risks:

Foreign Currency Risk

The Company has foreign currency rate exposure to exchange rate fluctuations worldwide with particular exposure to theAustralian and Canadian dollars, the British pound, Brazilian real, Mexican peso and the Euro. The Company uses freestanding foreign currency forward contracts to manage a portion of its exposure to changes in foreign currency exchange rates associated with its foreign currency denominated receivables, payables and forecasted earnings of foreign subsidiaries. Additionally, the Company has used foreign currency forward contracts designated as cash flow hedges to manage a portion of its exposure to changes in forecasted foreign currency denominated vendor payments. The amount of gains or losses relating to contracts designated as cash flow hedges that the Company expects to reclassify from Accumulated other comprehensive loss ("AOCL") to earnings over the next 12 months is not material.

Interest Rate Risk

A portion of the debt used to finance the Company's operations is exposed to interest rate fluctuations. The Company uses various hedging strategies and derivative financial instruments to create a desired mix of fixed and floating rate assets and liabilities. Derivative instruments currently used in these hedging strategies include swaps. Interest rate swaps are used to convert specific fixed-rate debt into variable-rate debt (i.e., fair value hedges) to manage the overall interest cost. For relationships designated as fair value hedges, changes in fair value of the derivatives were recorded in income with offsetting adjustments to the carrying amount of the hedged debt, resulting in an immaterial impact to the Consolidated Statements of Income. The amount of gains or losses that the Company expects to reclassify from AOCL during the next 12 months is not material.

The following table summarizes information regarding the gains/(losses) recognized in AOCL for the years ended December 31:

	2018	2017	2016
Designated hedging instruments			
Foreign exchange contracts	$ (1)	$ (2)	$ —

The following table summarizes information regarding the gains/(losses) recognized in income on the Company's freestanding derivatives for the years ended December 31:

	2018	2017	2016
Non-designated hedging instruments			
Foreign exchange contracts [(a)]	$ 2	$ 1	$ (20)

(a) Included within Operating expenses on the Consolidated Statements of Income, which is primarily offset by changes in the value of the underlying assets and liabilities.

Credit Risk and Exposure

The Company is exposed to counterparty credit risk in the event of nonperformance by counterparties to various agreements and sales transactions. The Company manages such risk by evaluating the financial position and creditworthiness of such counterparties and by requiring collateral in instances in which financing is provided. The Company mitigates counterparty credit risk associated with its derivative contracts by monitoring the amounts at risk with each counterparty to such contracts, periodically evaluating counterparty creditworthiness and financial position, and where possible, dispersing its risk among multiple counterparties.

As of December 31, 2018, there were no significant concentrations of credit risk with any individual counterparty or groups of counterparties. However, approximately18% of the Company's outstanding vacation ownership contract receivables portfolio relates to customers who reside in California. With the exception of the financing provided to customers of its vacation ownership businesses, the Company does not normally require collateral or other security to support credit sales.

Market Risk

The Company is subject to risks relating to the geographic concentrations of (i) areas in which the Company is currently developing and selling vacation ownership properties, (ii) sales offices in certain vacation areas and (iii) customers of the Company's vacation ownership business, which in each case, may result in the Company's results of operations being more sensitive to local and regional economic conditions and other factors, including competition, natural disasters and economic downturns, than the Company's results of operations would be, absent such geographic concentrations. Local and regional economic conditions and other factors may differ materially from prevailing conditions in other parts of the world. Florida and Nevada are examples of areas with concentrations of sales offices. For the year ended December 31, 2018, approximately 17% and 14% of the Company's VOI sales revenues were generated in sales offices located in Florida and Nevada, respectively.

Included within the Consolidated Statements of Income is net revenues generated from transactions in the state of Florida of approximately16% during 2018 and 2017, and 14% during 2016. There were 11% of net revenues generated from transactions in the state of California during2018, and 12% during 2017, and 13% during 2016.

19. Commitments and Contingencies

COMMITMENTS

Leases

The Company is committed to making rental payments under non-cancelable operating leases covering various facilities and equipment. Future minimum lease payments required under non-cancelable operating leases are as follows:

	December 31, 2018
2019	$ 34
2020	30
2021	26
2022	24
2023	22
Thereafter	99
	$ 235

The Company incurred total rental expense for continuing operations of$61 million during each of 2018 and 2017, and $59 million during 2016. The Company incurred total rental expense for discontinued operations of $9 million, $24 million, and $22 million during 2018, 2017 and 2016, respectively.

Purchase Commitments

In the normal course of business, the Company makes various commitments to purchase goods or services from specific suppliers, including those related to vacation ownership resort development and other capital expenditures. Purchase commitments made by the Company as of December 31, 2018 aggregated $1.12 billion, of which $848 million were for marketing-related activities,$153 million were related to the development of vacation ownership properties, and$64 million were for information technology activities.

Inventory sold subject to conditional repurchase

In the normal course of business, the Company makes various commitments to repurchase completed vacation ownership properties from third-party developers. Inventory sold subject to conditional repurchase made by the Company as of December 31, 2018 aggregated to $160 million.

Letters of Credit

As of December 31, 2018, the Company had $70 million of irrevocable standby letters of credit outstanding, of which $35 million were under its revolving credit facilities. As of December 31, 2017, the Company had $47 million of irrevocable standby letters of credit outstanding, of which $1 million were under its revolving credit facilities. Such letters of credit issued during 2018 and 2017 primarily supported the securitization of vacation ownership contract receivables fundings, certain insurance policies and development activity at the Company's vacation ownership business.

Surety Bonds

A portion of the Company's vacation ownership sales and developments are supported by surety bonds provided by affiliates of certain insurance companies in order to meet regulatory requirements of certain states. In the ordinary course of the Company's business, it has assembled commitments from15 surety providers in the amount of $2.60 billion, of which the Company had $365 million outstanding as of December 31, 2018. The availability, terms and conditions and pricing of bonding capacity are dependent on, among other things, continued financial strength and stability of the insurance company affiliates providing the bonding capacity, general availability of such capacity and the Company's corporate credit rating. If the bonding capacity is unavailable or, alternatively, the terms and conditions and pricing of the bonding capacity are unacceptable to the Company, its vacation ownership business could be negatively impacted.

LITIGATION

The Company is involved in claims, legal and regulatory proceedings, and governmental inquiries related to the Company's business, none of which, in the opinion of management, is expected to have a material effect on our results of operations or financial condition.

Wyndham Destinations Litigation

The Company may be from time to time involved in claims, legal and regulatory proceedings, and governmental inquiries arising in the ordinary course of its business including but not limited to: for its vacation ownership business — breach of contract, bad faith, conflict of interest, fraud, consumer protection and other statutory claims by property owners' associations, owners and prospective owners in connection with the sale or use of VOIs or land, or the management of vacation ownership resorts, construction defect claims relating to vacation ownership units or resorts or in relation to guest reservations and bookings; and negligence, breach of contract, fraud, consumer protection and other statutory claims by guests and other consumers for alleged injuries sustained at or acts or occurrences related to vacation ownership units or resorts or in relation to guest reservations and bookings; for its exchange and rentals business — breach of contract, fraud and bad faith claims by affiliates and customers in connection with their respective agreements, negligence, breach of contract, fraud, consumer protection and other statutory claims asserted by members, guests and other consumers for alleged injuries sustained at or acts or occurrences related to affiliated resorts and vacation rental properties, or in relation to guest reservations and bookings; and for each of its businesses, bankruptcy proceedings involving efforts to collect receivables from a debtor in bankruptcy, employment matters including but not limited to, claims of wrongful termination, retaliation, discrimination, harassment and wage and hour claims, whistleblower claims, claims of infringement upon third parties' intellectual property rights, claims relating to information security, privacy and consumer protection, fiduciary duty/trust claims, tax claims, environmental claims and landlord/tenant disputes.

The Company records an accrual for legal contingencies when it determines, after consultation with outside counsel, that it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. In making such determinations, the Company evaluates, among other things, the degree of probability of an unfavorable outcome and, when it is probable that a liability has been incurred, the Company's ability to make a reasonable estimate of loss. The Company reviews these accruals each reporting period and makes revisions based on changes in facts and circumstances including changes to its strategy in dealing with these matters.

The Company believes that it has adequately accrued for such matters with reserves of $14 million and $25 million as of December 31, 2018 and 2017, respectively. Such accruals are exclusive of matters relating to the Company's separation from Cendant, which is discussed in Note 27—*Transactions with Former Parent and Former Subsidiaries*. For matters not requiring accrual, the Company believes that such matters will not have a material effect on its results of operations, financial position or cash flows based on information currently available. However, litigation is inherently unpredictable and, although the Company believes that its accruals are adequate and/or that it has valid defenses in these matters, unfavorable results could occur. As such, an adverse outcome from such proceedings for which claims are awarded in excess of the amounts accrued, if any, could be material to the Company with respect to earnings and/or cash flows in any given reporting period. As of December 31, 2018, the potential exposure resulting from adverse outcomes of such legal proceedings could, in the aggregate, range up to $50 million in excess of recorded accruals. However, the Company does not believe that the impact of such litigation should result in a material liability to the Company in relation to its consolidated financial position and/or liquidity.

GUARANTEES/INDEMNIFICATIONS

Standard Guarantees/Indemnifications

In the ordinary course of business, the Company enters into agreements that contain standard guarantees and indemnities whereby the Company indemnifies another party for specified breaches of, or third-party claims relating to, an underlying agreement. Such underlying agreements are typically entered into by one of the Company's subsidiaries. The various underlying agreements generally govern purchases, sales or outsourcing of products or services, leases of real estate, licensing of software and/or development of vacation ownership properties, access to credit facilities, derivatives and issuances of debt securities. Also in the ordinary course of business, the Company provides corporate guarantees for its operating business units relating to merchant credit-card processing for prepaid customer stays and other deposits. While a majority of these guarantees and indemnifications extend only for the duration of the underlying agreement, some survive the expiration of the agreement. The Company is not able to estimate the maximum potential amount of future payments to be made under these guarantees and indemnifications as the triggering events are not predictable. In certain cases, the Company maintains insurance coverage that may mitigate any potential payments.

Other Guarantees/Indemnifications

Vacation Ownership

The Company has committed to repurchase completed property located in Las Vegas, Nevada from a third-party developer subject to such property meeting the Company's vacation ownership resort standards and provided that the third-party developer has not sold such property to another party. See Note 11—*Inventory* for additional details.

In connection with the Company's vacation ownership inventory sale transactions, for which it has conditional rights and conditional obligations to repurchase the completed properties, the Company was required to maintain an investment-grade credit rating from at least one rating agency. As a result of the spin-off of Wyndham Hotels, the Company failed to maintain an investment-grade credit rating with at least one rating agency, which triggered a default. The Company agreed to pay $8 million in fees in lieu of posting collateral in favor of the development partner in an amount equal to the remaining obligations under the agreements.

As part of the Fee-for-Service program, the Company may guarantee to reimburse the developer a certain payment or to purchase inventory from the developer, for a percentage of the original sale price if certain future conditions exist. As of December 31, 2018 the maximum potential future payments that the Company may be required to make under these guarantees were approximately $37 million. As of December 31, 2018 and 2017, the Company had no recognized liabilities in connection with these guarantees. For information on guarantees and indemnifications related to the Company's former parent and subsidiaries see Note 27—*Transactions with Former Parent and Former Subsidiaries*.

20. Accumulated Other Comprehensive Income/(Loss)

The components of Accumulated Other Comprehensive Income/(Loss) are as follows:

Pretax	Foreign Currency Translation Adjustments	Unrealized Gains/(Losses) on Cash Flow Hedges	Defined Benefit Pension Plans	Accumulated Other Comprehensive Income/(Loss)
Balance as of December 31, 2015	$ (136)	$ —	$ (9)	$ (145)
Other comprehensive income/(loss)	(81)	—	2	(79)
Balance as of December 31, 2016	(217)	—	(7)	(224)
Other comprehensive income/(loss)	121	(2)	2	121
Balance as of December 31, 2017	(96)	(2)	(5)	(103)
Other comprehensive income/(loss) before reclassifications	(75)	—	1	(74)
Amount reclassified to earnings	24	—	6	30
Balance as of December 31, 2018	$ (147)	$ (2)	$ 2	$ (147)

Tax	Foreign Currency Translation Adjustments	Unrealized Gains/(Losses) on Cash Flow Hedges	Defined Benefit Pension Plans	Accumulated Other Comprehensive Income/(Loss)
Balance as of December 31, 2015	$ 70	$ —	$ 3	$ 73
Other comprehensive income/(loss)	45	—	(1)	44
Balance as of December 31, 2016	115	—	2	117
Other comprehensive income/(loss)	(26)	2	(1)	(25)
Balance as of December 31, 2017	89	2	1	92
Other comprehensive income/(loss) before reclassifications	13	—	—	13
Amount reclassified to earnings	—	—	(2)	(2)
Balance as of December 31, 2018	$ 102	$ 2	$ (1)	$ 103

Net of Tax	Foreign Currency Translation Adjustments	Unrealized Gains/(Losses) on Cash Flow Hedges	Defined Benefit Pension Plans	Accumulated Other Comprehensive Loss
Balance as of December 31, 2015	$ (66)	$ —	$ (6)	$ (72)
Other comprehensive income/(loss)	(36)	—	1	(35)
Balance as of December 31, 2016	(102)	—	(5)	(107)
Other comprehensive income/(loss)	95	—	1	96
Balance as of December 31, 2017	(7)	—	(4)	(11)
Other comprehensive income/(loss) before reclassifications	(62)	—	1	(61)
Amount reclassified to earnings	24	—	4	28
Other comprehensive income/(loss)	(38)	—	5	(33)
Effect of adoption of new accounting principle [(a)]	(8)	—	—	(8)
Balance as of December 31, 2018	$ (53)	$ —	$ 1	$ (52)

[(a)] Impact of the Company's early adoption of new accounting guidance which allows for the reclassification of the stranded tax effects resulting from the implementation of the Tax Cuts and Jobs Act of 2017. This adoption resulted in an $8 million reclassification of tax benefit from AOCI to Retained Earnings.

Currency translation adjustments exclude income taxes related to investments in foreign subsidiaries where the Company intends to reinvest the undistributed earnings indefinitely in those foreign operations.

Reclassifications out of AOCL are presented in the following table. Amounts in parenthesis indicate debits to the Consolidated Statements of Income:

	Twelve Months Ended December 31,	
	2018	2017
Foreign currency translation adjustments, net		
Income on disposal of discontinued business, net of income taxes	$ (24)	$ —
Net income/(loss)	$ (24)	$ —
Defined benefit pension plans, net		
Income on disposal of discontinued business, net of income taxes	$ (4)	$ —
Net income/(loss)	$ (4)	$ —

21. Stock-Based Compensation

The Company has a stock-based compensation plan available to grant RSUs, PSUs, stock-settled appreciation rights ("SSARs"), non-qualified stock options ("NQs") and other stock-based awards to key employees, non-employee directors, advisors and consultants. The plan was originally adopted in 2006 and was amended and restated in its entirety and approved by shareholders on May 17, 2018. Under the amended and restated equity incentive plan, a maximum of 15.7 million shares of common stock may be awarded. As of December 31, 2018, 15.0 million shares remain outstanding.

Incentive Equity Awards Granted by the Company

During the year ended December 31, 2018, the Company granted incentive equity awards to key employees and senior officers totaling $58 million in the form of RSUs and $7 million in the form of stock options. Of these awards, $22 million of RSUs will vest at the end of period of 16 months, and the remaining RSUs and stock options will vest ratably over a period of 48 months.

During 2017 and 2016, the Company granted incentive equity awards totaling $66 million and $64 million, respectively, to the Company's key employees and senior officers in the form of RSUs and SSARs. In addition, during 2017 and 2016, the Company approved grants of incentive equity awards totaling $22 million and $17 million, respectively, to key employees and senior officers in the form of PSUs.

In connection with the spin-off of Wyndham Hotels, the Company accelerated vesting of all RSUs and PSUs granted through the year ended December 31, 2017. Wyndham Destinations RSUs held by Wyndham Hotels employees vested upon separation and RSUs held by Wyndham Destination employees vested on November 30, 2018 in accordance with their terms. All outstanding PSUs vested on June 1, 2018, with no further service condition required.

The activity related to incentive equity awards granted to the Company's key employees and senior officers by the Company for the year ended December 31, 2018 consisted of the following:

	Balance at December 31, 2017	Effect of Spin-off [a]	Granted	Vested/Exercised	Canceled	Balance at December 31, 2018
RSUs						
Number of RSUs	1.6	0.7	0.9 [f]	(2.2) [e]	(0.1)	0.9 [b]
Weighted average grant price	$ 81.18	NM	$ 62.34	$ 65.39	$ 72.54	$ 50.54
PSUs						
Number of PSUs	0.7	0.3	—	(1.0)	—	— [c]
Weighted average grant price	$ 81.77	NM	$ —	$ 66.42	$ —	$ —
SSARs						
Number of SSARs	0.2	—	—	—	—	0.2 [d]
Weighted average grant price	$ 77.40	$ —	$ —	$ —	$ —	$ 34.24
NQs						
Number of NQs	—	—	0.8	—	—	0.8 [g]
Weighted average grant price	$ —	$ —	$ 48.71	$ —	$ —	$ 48.71

NM- Not meaningful

[a] Impact of equity restructuring in connection with the spin-off of Wyndham Hotels.

[b] Aggregate unrecognized compensation expense related to RSUs was $32 million as of December 31, 2018, which is expected to be recognized over a weighted average period of 3.4 years.

[c] As a result of the spin-off of Wyndham Hotels, the Company accelerated the vesting of all PSUs, as such there was no unrecognized compensation expense as of December 31, 2018.

[d] There were 0.2 million SSARs that were exercisable as of December 31, 2018. There was no unrecognized compensation expense as of December 31, 2018 as all SSARS were vested.

[e] Primarily reflects accelerated vesting in connection with the spin-off of Wyndham Hotels.

[f] Includes 0.2 million shares granted in March 2018.

[g] Unrecognized compensation expense for NQs was $5 million as of December 31, 2018, which is expected to be recognized over a period of 3.4 years.

The fair value of stock options granted by the Company during 2018, and the SSARS granted in 2016 was estimated on the dates of these grants using the Black-Scholes option-pricing model with the relevant weighted average assumptions outlined in the table below. Expected volatility was based on both historical and implied volatilities of the Company's stock for SSARs and also included the stock of comparable companies over the estimated expected life for options. The expected life represents the period of time these awards are expected to be outstanding. The-risk free interest rate is based on yields on U.S. Treasury strips with a maturity similar to the estimated expected life of the options and SSARS. The projected dividend yield was based on the Company's anticipated annual dividend divided by the price of the Company's stock on the date of the grant.

Stock Options	2018
Grant date fair value	$ 8.48
Grant date strike price	$ 48.71
Expected volatility	26.01%
Expected life	4.25
Risk-free interest rate	2.73%

SSARS	2016
Grant date fair value	$ 13.70
Grant date strike price	$ 71.65
Expected volatility	27.81%
Expected life	5.2
Risk-free interest rate	1.33%
Projected dividend yield	2.79%

Stock-Based Compensation Expense

The Company recorded stock-based compensation expense of $150 million, $68 million, and $66 million during 2018, 2017, and 2016, respectively, related to the incentive equity awards granted to key employees and senior officers. Such stock-based compensation expense included expense related to discontinued operations of $22 million for 2018, and $11 million for 2017 and 2016. The Company also recorded stock-based compensation expense for non-employee directors of $1 million, $2 million and $1 million during 2018, 2017 and 2016, respectively. Stock-based compensation expense for 2018 and 2017 included $105 million and $4 million of expense which has been classified within separation and related costs in continuing operations. Additionally, $1 million of stock-based compensation expense was recorded within restructuring expense during 2017.

The Company paid $60 million, $39 million and $36 million of taxes for the net share settlement of incentive equity awards during 2018, 2017 and 2016, respectively. Such amounts are included within Financing activities on the Consolidated Statements of Cash Flows.

22. Employee Benefit Plans

Defined Contribution Benefit Plans

Wyndham Destinations sponsors domestic defined contribution savings plans and a domestic deferred compensation plan that provide eligible employees of the Company an opportunity to accumulate funds for retirement. The Company matches the contributions of participating employees on the basis specified by each plan. The Company's cost for these plans was $33 million, $35 million, and $36 million during 2018, 2017, and 2016, respectively.

In addition, the Company contributes to several foreign employee benefit contributory plans which also provide eligible employees with an opportunity to accumulate funds for retirement. The Company's contributory cost for these plans was $10 million during 2018 and $11 million during 2017 and 2016.

Defined Benefit Pension Plans

The Company sponsors defined benefit pension plans for certain foreign subsidiaries, which were primarily part of the Company's European vacation rentals business which is presented as discontinued operations. Under these plans, benefits are based on an employee's years of credited service and a percentage of final average compensation or as otherwise described by the plan. Any gain or loss related to the settlement of the Company's obligation under these plans is included as a component of the overall gain or loss of the disposal of the business. The Company had $4 million and $5 million of net pension liability as of December 31, 2018 and 2017, respectively, included within Accrued expenses and other liabilities. As of December 31, 2017, the Company had a net pension liability $14 million included within Liabilities of discontinued operations and held-for-sale business on the Consolidated Balance Sheets. As of December 31, 2017, the Company had recorded $4 million of an unrecognized loss within AOCL on the Consolidated Balance Sheet, which was reclassified to Income on disposal of discontinued business, net of income taxes in 2018 on the Consolidated Statements of Income.

The Company's policy is to contribute amounts sufficient to meet minimum funding requirements as set forth in employee benefit and tax laws and additional amounts that the Company determines to be appropriate. The Company adjusted $1 million of pension expense during 2018 to align to the final actuarial calculation for the period. During 2017 and 2016, the Company recorded pension expense of $1 million and $3 million, respectively.

23. Segment Information

As a result of the completion of the spin-off of Wyndham Hotels, the Company now has two operating segments: Vacation Ownership and Exchange & Rentals. The Vacation Ownership segment develops, markets and sells VOIs to individual consumers, provides consumer financing in connection with the sale of VOIs and provides property management services at resorts. The Exchange & Rentals segment provides vacation exchange services and products to owners of VOIs and manages and markets vacation rental properties primarily on behalf of independent owners. During 2018, the Company decided to explore strategic alternatives and commenced activities to facilitate the sale of its North American vacation rentals business, which is currently part of its Exchange & Rentals segment. The assets and liabilities of this business have been classified as held-for-sale. The reportable segments presented below represent the Company's operating segments for which discrete financial information is available and which are utilized on a regular basis by its chief operating decision maker to assess performance and to allocate resources. In identifying its reportable segments, the Company also considers the nature of services provided by its operating segments. The Company has updated its segment reporting during the second quarter 2018 to include Adjusted EBITDA, a non-GAAP measure, whereas in the past EBITDA was presented. Following the completion of the spin-off of Wyndham Hotels and the sale of the European vacation rentals business, management uses net revenues and Adjusted EBITDA to assess the performance of the reportable segments. Adjusted EBITDA is defined by the Company as Net income before Depreciation and amortization, Interest expense (excluding Consumer financing interest), Early extinguishment of debt, Interest income (excluding Consumer financing revenues) and Income taxes, each of which is presented on the Consolidated Statements of Income. Adjusted EBITDA also excludes stock-based compensation costs, separation and restructuring costs, transaction costs, impairments, and items that meet the conditions of unusual and/or infrequent. The Company believes that Adjusted EBITDA is a useful measure of performance for its segments which, when considered with GAAP measures, the Company believes it gives a more complete understanding of its operating performance. The Company's presentation of Adjusted EBITDA may not be comparable to similarly-titled measures used by other companies.

Net revenues	Year Ended December 31, 2018	2017	2016
Vacation Ownership	$ 3,016	$ 2,881	$ 2,774
Exchange & Rentals	918	927	916
Total reportable segments	3,934	3,808	3,690
Corporate and other [a]	(3)	(2)	2
Total Company	$ 3,931	$ 3,806	$ 3,692

Reconciliation of Net income to Adjusted EBITDA	Year Ended December 31, 2018	2017	2016
Net income attributable to Wyndham Destinations shareholders	$ 672	$ 854	$ 611
Net income attributable to noncontrolling interest	—	1	1
(Income) on disposal of discontinued business, net of income taxes	(456)	—	—
Loss/(income) from operations of discontinued businesses, net of income taxes	50	(209)	(260)
Provision/(benefit) for income taxes	130	(328)	190
Depreciation and amortization	138	136	127
Interest expense	170	155	133
Early extinguishment of debt [b]	—	—	11
Interest (income)	(5)	(6)	(7)
Venezuela currency devaluation	—	—	24
Executive departure costs	—	—	6
Separation and related costs [c]	223	26	—
Restructuring [d]	16	14	12
Asset impairments	(4)	205	—
Legacy items [e]	1	(6)	(11)
Acquisition gain, net	—	(13)	—
Stock-based compensation	23	53	55
Value-added tax refund	(16)	—	—
Adjusted EBITDA	$ 942	$ 882	$ 892

Adjusted EBITDA	Year Ended December 31, 2018	2017	2016
Vacation Ownership	$ 731	$ 709	$ 724
Exchange & Rentals	278	268	261
Total reportable segments	1,009	977	985
Corporate and other [a]	(67)	(95)	(93)
Total Company	$ 942	$ 882	$ 892

[a] Includes the elimination of transactions between segments.

[b] Represents costs incurred for the early repurchase of the remaining portion of our 6.00% senior unsecured notes.

[c] Includes $105 million and $4 million of stock-based compensation expenses for the periods ending December 31, 2018 and 2017, respectively. No such expense recognized in 2016.

[d] Includes $1 million of stock-based compensation expense for the year ended 2017.

[e] Represents the net benefit from the resolution of and adjustment to certain contingent liabilities resulting from the Company's separation from Cendant.

Segment Assets [a]	Year Ended December 31, 2018	2017	2016
Vacation Ownership	$ 5,421	$ 5,246	$ 5,060
Exchange & Rentals	1,376	1,472	1,391
Total reportable segments	6,797	6,718	6,451
Corporate and other	158	168	239
Assets held-for-sale	203	—	—
Total Company	$ 7,158	$ 6,886	$ 6,690

Capital Expenditures [a]	Year Ended December 31, 2018	2017	2016
Vacation Ownership	$ 66	$ 72	$ 67
Exchange & Rentals	25	27	31
Total reportable segments	91	99	98
Corporate and other	8	8	19
Total Company	$ 99	$ 107	$ 117

[a] Excludes investment in consolidated subs and assets of discontinued operations.

The geographic segment information provided below is classified based on the geographic location of the Company's subsidiaries.

	United States	All Other Countries	Total
Year Ended or As of December 31, 2018			
Net revenues	$ 3,500	$ 431	$ 3,931
Net long-lived assets	1,471	272	1,743
Year Ended or As of December 31, 2017			
Net revenues	$ 3,359	$ 447	$ 3,806
Net long-lived assets	1,581	295	1,876
Year Ended or As of December 31, 2016			
Net revenues	$ 3,209	$ 483	$ 3,692
Net long-lived assets	1,609	111	1,720

24. Separation and Transaction Costs

On May 31, 2018, the Company completed the spin-off of its hotel business. This transaction resulted in operations being held by two separate, publicly traded companies as discussed in Note 1—*Background and Basis of Presentation.* Prior to the Spin-off, the Company completed the sale of its European vacation rentals business.

During 2018, the Company incurred $223 million of expenses in connection with the spin-off of the hotel business which are reflected within continuing operations and include related costs of the Spin-off, of which $217 million were related to stock compensation modification expense, severance and other employee costs offset, in part, by favorable foreign currency. In addition, these costs include certain impairment charges related to the separation including property sold to Wyndham Hotels.

Additionally, during 2018, the Company incurred $111 million of separation related expenses in connection with the hotel spin-off and sale of the European vacation rentals business which are reflected within discontinued operations. These expenses include legal, consulting and auditing fees, stock compensation modification expense, severance and other employee-related costs.

During 2017, the Company incurred $26 million of expenses associated with the planned spin-off of the hotel business and the exploration of strategic alternatives for the European vacation rentals business which are reflected within continuing operations. Additionally, during this same time period the Company incurred $40 million of separation related costs that

are included within discontinued operations. These costs include legal, consulting and auditing fees, stock compensation modification expense, severance and other employee-related costs.

25. Impairments and Other Charges

Impairments

During May 2017, the Company performed an in-depth review of its operations, including its current development pipeline and long-term development plan. In connection with such review, the Company updated its current and long-term development plan to focus on (i) selling existing finished inventory and (ii) procuring inventory from efficient sources such as Just-in-Time inventory in new markets and reclaiming inventory from owners' associations or owners. As a result, the Company's management performed a review of its land held for VOI development. Such review consisted of an assessment on 19 locations to determine its plan for future VOI development at those sites. As a result of this assessment, the Company concluded that no future development would occur at 17 locations, of which 16 were deemed to be impaired.

The Company performed a fair value assessment on the land held for VOI development which resulted in a $121 million non-cash impairment charge during the second quarter of 2017. In addition, the Company also recorded a $14 million non-cash impairment charge relating to the write-off of construction in process costs at six of the 16 impaired locations. As a result, the Company reported a total non-cash impairment charge of $135 million, which is included within Asset impairments on the Consolidated Statements of Income.

In conjunction with this review and impairment, in May 2017, the Company sold three of the 17 locations, as well as non-core revenue generating assets to a former executive of the Company for $2 million of cash consideration, which resulted in a $7 million loss. The Company also has an agreement with the former executive to sell an additional two of the 17 locations for $2 million, resulting in a $13 million non-cash impairment charge. Such transaction is to be completed within six months of the Company meeting certain transferability requirements. The $7 million loss and $13 million non-cash impairment charge on the expected sale were included within the total non-cash impairment charge of $135 million.

During the third quarter of 2018, the Company sold a property located in Las Vegas, Nevada which was previously impaired by $27 million as part of the aforementioned fair value assessment on the land held for VOI development during the second quarter of 2017. The Company received net proceeds of $11 million, resulting in a gain on sale of $8 million, which is included within Asset impairments on the Consolidated Statements of Income.

As a result of changes in market conditions, the Company updated its long-term development goals during the third quarter of 2018 which resulted in $4 million of additional impairment charges on previously impaired properties. This additional impairment expense and the Las Vegas impairment reversal, resulted in a net impairment reversal of $4 million during 2018.

During 2017, the Company incurred a $5 million non-cash impairment charge related to the write-down of assets resulting from the decision to abandon a new product initiative at the Company's vacation ownership business. Such charge is recorded within Asset impairments on the Consolidated Statements of Income.

During 2017, the Company incurred $65 million of non-cash impairment charges resulting from a disruption to VOI sales caused by the impact of the hurricanes on Saint Thomas, U.S. Virgin Islands at its vacation ownership business. The charges were comprised of a $37 million charge due to a write-down of property and equipment to fair value resulting from the consolidation of the Saint Thomas SPE and a $28 million charge due to a write-down of VOI inventory to its fair value. Such charge is recorded within Asset impairments on the Consolidated Statements of Income.

Other Charges

During 2016, the Company incurred a $24 million foreign exchange loss, primarily impacting cash, resulting from the Venezuelan government's decision to devalue the exchange rate of its currency. Such loss is recorded within Operating expenses on the Consolidated Statements of Income.

Refer to Note 24—*Separation and Transaction Costs,* for discussion of the additional 2018 impairment associated with the spin-off of Wyndham Hotels.

26. Restructuring

2018 Restructuring Plans

During 2018, the Company recorded $16 million of charges related to restructuring initiatives, all of which are personnel-related resulting from a reduction of approximately 500 employees. This action was primarily focused on enhancing organizational efficiency and rationalizing operations. The charges consisted of (i) $11 million at the Vacation Ownership segment, (ii) $4 million at the Exchange & Rentals segment, and (iii) $1 million at the Company's corporate operations. During 2018, the Company reduced its restructuring liability by $4 million of cash payments. The remaining 2018 restructuring liability of $12 million is expected to be paid by the end of 2019.

2017 Restructuring Plans

During 2017, the Company recorded $14 million of charges related to restructuring initiatives, all of which were personnel-related resulting from a reduction of approximately 200 employees. The charges consisted of (i) $8 million at its Exchange & Rentals segment which primarily focused on enhancing organizational efficiency and rationalizing its operations, and (ii) $6 million at the Company's corporate operations which focused on rationalizing its sourcing function and outsourcing certain information technology functions. During 2017, the Company reduced its restructuring liability by $11 million, of which $9 million was in cash payments and $1 million was through the issuance of Wyndham stock. During 2018, the Company reduced its restructuring liability by $3 million of cash payments. The 2017 restructuring liability was paid in full as of December 31, 2018.

2016 Restructuring Plans

During 2016, the Company recorded $12 million of charges related to restructuring initiatives, primarily focused on enhancing organizational efficiency and rationalizing existing facilities which included the closure of four vacation ownership sales offices. In connection with these initiatives, the Company initially recorded $8 million of personnel-related costs resulting from a reduction of approximately 450 employees, $4 million at both the Vacation Ownership and the Exchange & Rentals segments. The Vacation Ownership segment also incurred a $2 million non-cash asset impairment charge resulting from the write-off of assets from sales office closures, and $2 million of facility-related expenses. In both 2016 and 2017, the Company reduced its liability with $5 million of cash payments. During 2018, the Company reduced its liability with $1 million in cash payments. As of December 31, 2018, the remaining liability of less than $1 million, all of which is related to leased facilities, is expected to be paid by the end of 2020.

The Company has additional restructuring plans which were implemented prior to 2016. During 2018 the Company reduced its liability for such plans with less than $1 million of cash payments, and $1 million of cash payments in each of 2017 and 2016, respectively. As of December 31, 2018, the remaining liability of less than $1 million, all of which is related to leased facilities, is expected to be paid by 2020.

The activity associated with all of the Company's restructuring plans is summarized by category as follows:

	Liability as of December 31, 2015	2016 Activity: Costs Recognized	2016 Activity: Cash Payments	2016 Activity: Other		Liability as of December 31, 2016
Personnel-related	$ 1	$ 8	$ (5)	$ —		$ 4
Facility-related	2	2	(1)	—		3
Asset impairment	—	2	—	(2)	(a)	—
	$ 3	$ 12	$ (6)	$ (2)		$ 7

	Liability as of December 31, 2016	2017 Activity: Costs Recognized	2017 Activity: Cash Payments	2017 Activity: Other		Liability as of December 31, 2017
Personnel-related	$ 4	$ 14	$ (13)	$ (1)	(b)	$ 4
Facility-related	3	—	(2)	—		1
	$ 7	$ 14	$ (15)	$ (1)		$ 5

	Liability as of December 31, 2017	2018 Activity: Costs Recognized	2018 Activity: Cash Payments	2018 Activity: Other	Liability as of December 31, 2018
Personnel-related	$ 4	$ 16	$ (8)	$ —	$ 12
Facility-related	1	—	(1)	—	—
	$ 5	$ 16	$ (9)	$ —	$ 12

(a) Represents the write-off of assets from sales office closures at the Company's vacation ownership business.
(b) Primarily represents the issuance of Wyndham stock.

27. Transactions with Former Parent and Former Subsidiaries

Matters Related to Cendant

Pursuant to the Cendant Separation and Distribution Agreement, the Company entered into certain guarantee commitments with Cendant and Cendant's former subsidiary, Realogy. These guarantee arrangements primarily relate to certain contingent litigation liabilities, contingent tax liabilities, and Cendant contingent and other corporate liabilities, of which Wyndham Worldwide assumed 37.5% of the responsibility while Cendant's former subsidiary Realogy is responsible for the remaining62.5%. As a result of the Wyndham Worldwide separation, Wyndham Hotels agreed to retain one third of Cendant's contingent and other corporate liabilities and associated costs; therefore, Wyndham Destinations is effectively responsible for 25% of such matters subsequent to the separation. Since Cendant's separation, Cendant settled the majority of the lawsuits pending on the date of the separation.

As of December 31, 2018, Cendant separation-related liabilities of $18 million are comprised of $13 million for tax related liabilities and $5 million for other contingent and corporate liabilities assumed at the separation date. As of December 31, 2017, the Company had $16 million of Cendant separation-related liabilities. These liabilities were recorded within Accrued expenses and other liabilities on the Consolidated Balance Sheet.

Matters Related to Wyndham Hotels

In connection with the spin-off of the hotel business on May 31, 2018, Wyndham Destinations entered into several agreements with Wyndham Hotels that govern the relationship of the parties following the distribution including the Separation and Distribution Agreement, the Employee Matters Agreements, the Tax Matters Agreement, the Transition Services Agreement and the License, Development and Noncompetition Agreement.

In accordance with these agreements, Wyndham Destinations assumed two-thirds and Wyndham Hotels assumed one-third of certain contingent corporate liabilities of the Company incurred prior to the distribution, including liabilities of the Company related to certain terminated or divested businesses, certain general corporate matters, and any actions with respect to the separation plan. Likewise, Wyndham Destinations is entitled to receive two-thirds and Wyndham Hotels is entitled to receive one-third of the proceeds from certain contingent corporate assets of the Company arising or accrued prior to the distribution.

The Company conveyed the lease for its former corporate headquarters located in Parsippany, New Jersey to Wyndham Hotels, which resulted in the removal of a $66 million capital lease obligation and a $43 million asset from the Consolidated Balance Sheet.

Wyndham Destinations entered into a transition service agreement with Wyndham Hotels, pursuant to which the companies agreed to provide each other certain transitional services including human resources, facilities, payroll, tax, information technology, information management and related services, treasury, finance, sourcing, and employee benefits administration on an interim, transitional basis. For 2018, transition service agreement expenses were $8 million and transition service agreement income was $6 million.

Matters Related to the European Vacation Rentals Business

In connection with the sale of the European vacation rentals business, the Company and Wyndham Hotels agreed to post-closing credit support for the benefit of certain credit card service providers, a British travel association, and certain regulatory authorities to allow them to continue providing services or regulatory approval to the business. Such post-closing credit support included a guarantee of up to $180 million through June 30, 2019, which has an estimated fair value of $2 million. Such post-closing credit support may be called if the business fails to meet its primary obligation to pay amounts when due. The Buyer has provided an indemnification to Wyndham Destinations in the event that the post-closing credit support (other than the guarantee by Wyndham Destinations of up to $180 million) is enforced or called upon.

At closing, the Company agreed to provide additional post-closing credit support to a British travel association and regulatory authority. An escrow was established at closing, of which $46 million was subsequently released in exchange for a secured bonding facility and a perpetual guarantee of $46 million. The estimated fair value of the guarantee was $22 million at December 31, 2018. The Company established a $7 million receivable from Wyndham Hotels for their portion of the guarantee.

In January 2019, the Company reached an agreement with the Buyer on certain post-closing adjustments, resulting in a reduction of proceeds by $27 million. In accordance with the separation agreement, the Company and Wyndham Hotels agreed to share two–thirds and one–third, respectively, in the European vacation rentals business' final net proceeds (as defined by the sales agreement), adjusted for certain items including the return of the escrow, post–closing adjustments, transaction expenses and estimated taxes. The Company estimated the net payable due to Wyndham Hotels to be approximately $40 million and expects to finalize this estimate and pay it in the second quarter of 2019. In connection with these estimated final adjustments, the Company recorded a $40 million liability and reduced retained earnings accordingly.

The Company also deposited $5 million into an escrow account, which will be returned to the Company on May 9, 2019, if the gross limit of the Barclays Bank PLC ("Barclays") pound sterling cash pooling arrangement with the Buyer remains at least £10 million and security is not demanded by Barclays. If any further security is demanded by Barclays, the Company must pay an additional £1 million into the escrow account.

In addition, the Company agreed to indemnify the Buyer against certain claims and assessments, including income tax, value-added tax and other tax matters, related to the operations of the European vacation rentals business for the periods prior to the transaction. The estimated fair value of the indemnifications total $43 million at December 31, 2018.

Wyndham Hotels provided certain post-closing credit support primarily for the benefit of a British travel association in the form of guarantees which are primarily denominated in pound sterling of up to an approximate $81 million on a perpetual basis. The estimated fair value of such guarantees was $39 million at December 31, 2018. Wyndham Destinations is responsible for two-thirds of these guarantees. Wyndham Hotels is required to maintain minimum credit ratings of Ba2 for Moody's and BB for S&P. If Wyndham Hotels drops below these minimum credit ratings, Wyndham Destinations would be required to post a letter of credit (or equivalent support) for the amount of the Wyndham Hotels guarantee.

The estimated fair value of the guarantees and indemnifications for which Wyndham Destinations is responsible related to the sale of the European vacation rentals business, including the two-thirds portion related to guarantees provided by Wyndham Hotels, totaled $96 million and was recorded in Accrued expenses and other liabilities at December 31, 2018. A receivable of $23 million was included in Other assets and increased retained earnings accordingly at December 31, 2018 representing the portion of these guarantees and indemnifications for which Wyndham Hotels is responsible.

Wyndham Destinations entered into a transition service agreement with the European vacation business, pursuant to which the companies agreed to provide each other certain transitional services including human resources, facilities, payroll, tax,

information technology, information management and related services, treasury, finance, and sourcing on an interim, transitional basis. For 2018, transition service agreement expenses were $3 million and transition service agreement income was $3 million.

28. Selected Quarterly Financial Data - (unaudited)

Provided below is selected unaudited quarterly financial data for 2018 and 2017.

	2018			
	First [a]	Second	Third	Fourth
(in millions, except per share data)				
Net revenues	$ 907	$ 1,007	$ 1,062	$ 956
Total expenses	804	942	865	797
Operating income	103	65	197	159
Income/(loss) from continuing operations	41	(12)	131	106
(Loss)/income from operations of discontinued businesses, net of income taxes	(7)	(42)	(3)	2
Income on disposal of discontinued business, net of income taxes	—	432	20	4
Net income	34	378	148	112
Basic earnings per share				
Continuing operations	$ 0.41	$ (0.12)	$ 1.32	$ 1.10
Discontinued operations	(0.07)	3.90	0.17	0.06
	$ 0.34	$ 3.78	$ 1.49	$ 1.16
Diluted earnings per share				
Continuing operations	$ 0.41	$ (0.12)	$ 1.31	$ 1.10
Discontinued operations	(0.07)	3.89	0.18	0.06
	$ 0.34	$ 3.77	$ 1.49	$ 1.16
Weighted average shares outstanding				
Basic	100.1	100.0	99.1	96.3
Diluted	100.8	100.3	99.5	96.7

Note: The sum of the quarters may not agree to the Consolidated Statements of Income for the year ended December 31, 2018 due to rounding.

[a] Amounts vary from those disclosed in our Quarterly report on form 10-Q for the quarter ended March 31, 2018 due to the results of our former hotel business being classified as discontinued operations in connection with the Spin-off of Wyndham Hotels on May 31, 2018.

	2017			
	First [a]	Second	Third	Fourth
(in millions, except per share data)				
Net revenues	$ 883	$ 978	$ 1,015	$ 931
Total expenses	763	933	831	839
Operating income	120	45	184	92
Income from continuing operations	86	14	102	444
Income/(loss) from operations of discontinued businesses, net of income taxes	4	71	162	(28)
Net income	90	85	264	416
Net income attributable to noncontrolling interest	—	(1)	—	—
Net income attributable to Wyndham Destinations shareholders	90	84	264	416
Basic earnings per share				
Continuing operations	$ 0.82	$ 0.13	$ 1.00	$ 4.40
Discontinued operations	0.04	0.68	1.58	(0.28)
	$ 0.86	$ 0.81	$ 2.58	$ 4.12
Diluted earnings per share				
Continuing operations	$ 0.81	$ 0.13	$ 0.99	$ 4.36
Discontinued operations	0.04	0.68	1.58	(0.27)
	$ 0.85	$ 0.81	$ 2.57	$ 4.09
Weighted average shares outstanding				
Basic	105.2	103.8	102.4	100.9
Diluted	106.0	104.4	102.9	101.8

Note: The sum of the quarters may not agree to the Consolidated Statements of Income for the year ended December 31, 2017 due to rounding.

(a) Amounts vary from those disclosed in our Quarterly report on form 10-Q for the quarter ended March 31, 2018 due to the results of our former hotel business being classified as discontinued operations in connection with the Spin-off of Wyndham Hotels on May 31, 2018.

29. Related Party Transactions

During August 2018, the Company provided notification to the owner trustee of the Company's leased aircraft of its intent to exercise the purchase option for such aircraft at fair market value. In connection with that purchase, the Company entered into an agreement to sell the Company aircraft to its former CEO and current Chairman of the Board at a price equivalent to the purchase price. In January 2019, the transaction to purchase the aircraft and sell the aircraft for $16 million was closed.

ITEM 9. CHANGE IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures. Our management, with the participation of our principal executive and principal financial officers, has evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act") as of the end of the period covered by this report. Based on such evaluation, our principal executive and principal financial officers have concluded that, as of the end of such period, our disclosure controls and procedures were effective and operating to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC, and to provide reasonable assurance that such information is accumulated and communicated to our management, including our principal executive and principal financial officers, 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 Rule 13a-15(f) under the Exchange Act. Our

management assessed the effectiveness of our internal control over financial reporting as ofDecember 31, 2018. In making this assessment, management used the criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations ("COSO") of the Treadway Commission Based on this assessment, our management believes that, as of December 31, 2018, our internal control over financial reporting is effective. Our independent registered public accounting firm has issued an attestation report on the effectiveness of our internal control over financial reporting, see Item 8—*Report of Independent Registered Public Accounting Firm* of this Annual Report on Form 10-K.

There have been no changes in our internal control over financial reporting (as such term is defined in Rule 13a-15(f) under the Exchange Act) during the most recent fiscal quarter to which this report relates that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Information concerning Executive Officers required by this item is located under the headings “Governance of the Company” and “Executive Officers of the Company” in the Proxy Statement for our 2019 Annual Meeting of Shareholders and is incorporated herein by reference.

Information concerning Directors required by this item is located under the headings “Election of Directors” and “Nominations for Elections to the Board” in the Proxy Statement for our 2019 Annual Meeting of Shareholders and is incorporated herein by reference.

Information concerning the Audit Committee and the Code of Conduct and Business Ethics required by this item is located under the headings “Governance of the Company” and “Code of Business Conduct and Ethics” in the Proxy Statement for our 2019 Annual Meeting of Shareholders and is incorporated herein by reference.

Information concerning Section 16(a) Beneficial Ownership Reporting Compliance required by this item is located under the heading “Section 16(a) Beneficial Ownership Reporting Compliance” in the Proxy Statement for our 2019 Annual Meeting of Shareholders and is incorporated herein by reference.

The Board maintains a Code of Business Conduct and Ethics for Directors with ethics guidelines specifically applicable to Directors. In addition, we maintain a Code of Conduct applicable to all our associates, including our Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer.

We will disclose on our website any amendment to or waiver from a provision of our Code of Business Conduct and Ethics for Directors or Code of Conduct as may be required and within the time period specified under applicable SEC and New York Stock Exchange rules. The Code of Business Conduct and Ethics for Directors and our Code of Conduct are available on the Investor Relations page of our website at www.wyndhamdestinations.com by clicking on the “Governance” link followed by the “Governance Documents” link. Copies of these documents may also be obtained free of charge by writing to our Corporate Secretary.

ITEM 11. EXECUTIVE COMPENSATION

The information required by Item 11 is included in the Proxy Statement for our 2019 Annual Meeting of Shareholders under the captions “Compensation of Directors,” “Executive Compensation” and “Committees of the Board,” and is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Equity Compensation Plan Information as of December 31, 2018

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in the first column)
Equity compensation plans approved by security holders	2.0 million[(a)]	$45.42[(b)]	15.0 million[(c)]
Equity compensation plans not approved by security holders	None	Not applicable	Not applicable

(a) Consists of shares issuable upon exercise of stock settled stock appreciation rights, non-qualified stock options, and restricted stock units.

(b) Consists of weighted-average exercise price of outstanding stock settled stock appreciation rights and restricted stock units.

(c) Consists of shares available for future grants under the 2006 Equity and Incentive Plan, as amended.

The remaining information required by Item 12 is included in the Proxy Statement for our 2019 Annual Meeting of Shareholders under the caption “Ownership of Company Stock” and is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

The information required by Item 13 is included in the Proxy Statement for our 2019 Annual Meeting of Shareholders under the captions “Related Party Transactions” and “Governance of the Company,” and is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required by Item 14 is included in the Proxy Statement for our 2019 Annual Meeting of Shareholders under the captions “Disclosure About Fees” and “Pre-Approval of Audit and Non-Audit Services,” and is incorporated herein by reference.

PART IV

ITEM 15. EXHIBITS

The agreements included or incorporated by reference as exhibits to this report contain representations and warranties by each of the parties to the applicable agreement. These representations and warranties were made solely for the benefit of the other parties to the applicable agreement and (i) were not intended to be treated as categorical statements of fact, but rather as a way of allocating the contractual risk to one of the parties if those statements prove to be inaccurate, (ii) may have been qualified in such agreement by disclosures that were made to the other party in connection with the negotiation of the applicable agreement, (iii) may apply contract standards of "materiality" that are different from "materiality" under the applicable securities laws, (iv) were made only as of the date of the applicable agreement or such other date or dates as may be specified in the agreement, (v) may be qualified by a confidential disclosure schedule that contains some nonpublic information that is not material under applicable securities laws, and (vi) only parties to such agreement and specified third party beneficiaries, if any, have a right to enforce the agreement. We acknowledge that, notwithstanding the inclusion of the foregoing cautionary statements, we are responsible for considering whether additional specific disclosures of material information regarding material contractual provisions are required to make the statements in this report not misleading.

Exhibit Index

Exhibit No.	Description of Exhibit
2.1	Separation and Distribution Agreement by and among Cendant Corporation, Realogy Corporation, Wyndham Worldwide Corporation and Travelport Inc., dated as of July 27, 2006 (incorporated by reference to Exhibit 2.1 to the Registrant's Form 8-K filed July 31, 2006)
2.2	Amendment No. 1 to Separation and Distribution Agreement by and among Cendant Corporation, Realogy Corporation, Wyndham Worldwide Corporation and Travelport Inc., dated as of August 17, 2006 (incorporated by reference to Exhibit 2.2 to the Registrant's Form 10-Q filed November 14, 2006)
2.3	Agreement and Plan of Merger, dated as of January 17, 2018, by and among Wyndham Worldwide Corporation, WHG BB Sub, Inc. and La Quinta Holdings Inc. (incorporated by reference to Exhibit 2.1 to the Registrant's Form 8-K filed January 18, 2018).
2.4	Support Agreement, dated as of January 17, 2018, by and between Wyndham Worldwide Corporation and each of the persons listed on Annex I thereto (incorporated by reference to Exhibit 2.2 to the Registrant's Form 8-K filed January 18, 2018).
2.5	Separation and Distribution Agreement, dated as of May 31, 2018, by and between Wyndham Destinations, Inc. and Wyndham Hotels & Resorts, Inc. (incorporated by reference to Exhibit 2.1 to the Registrant's Form 8-K filed June 4, 2018).
3.1	Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.2 to the Registrant's Form 8-K filed May 10, 2012).
3.2	Certificate of Amendment to Certificate of Incorporation of Wyndham Worldwide Corporation effective as of May 31, 2018 (incorporated by reference to Exhibit 3.1 to the Registrant's Form 8-K filed June 4, 2018).
3.3*	Second Amended and Restated By-Laws, effective as of February 22, 2019.
4.1	Indenture, dated November 20, 2008, between Wyndham Worldwide Corporation and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.2 to the Registrant's Form S-3 filed November 25, 2008).
4.2	Third Supplemental Indenture, dated February 25, 2010, between Wyndham Worldwide Corporation and U.S. Bank National Association, as Trustee, respecting Senior Notes due 2020 (incorporated by reference to Exhibit 4.1 to the Registrant's Form 8-K filed February 26, 2010).
4.3	Form of 7.375% Senior Notes due 2020 (included within Exhibit 4.2)
4.4	Fourth Supplemental Indenture, dated September 20, 2010, between Wyndham Worldwide Corporation and U.S. Bank National Association, as Trustee, respecting Senior Notes due 2018 (incorporated by reference to Exhibit 4.1 to the Registrant's Form 8-K filed September 23, 2010).
4.5	Form of 5.75% Senior Notes due 2018 (included within Exhibit 4.4)
4.6	Fifth Supplemental Indenture, dated March 1, 2011, between Wyndham Worldwide Corporation and U.S. Bank National Association, as Trustee, respecting Senior Notes due 2021(incorporated by reference to Exhibit 4.1 to the Registrant's Form 8-K filed March 3, 2011).
4.7	Form of 5.625% Senior Notes due 2021 (included within Exhibit 4.6)

4.8	Sixth Supplemental Indenture, dated March 7, 2012, between Wyndham Worldwide Corporation and U.S. Bank National Association, as Trustee, respecting Senior Notes due 2017 and 2022 (incorporated by reference to Exhibit 4.1 to the Registrant's Form 8-K filed March 7, 2012).
4.9	Form of 4.25% Senior Notes due 2022 (included within Exhibit 4.8)
4.10	Seventh Supplemental Indenture, dated March 15, 2012, between Wyndham Worldwide Corporation and U.S. Bank National Association, as Trustee, respecting Senior Notes due 2017 and 2022 (incorporated by reference to Exhibit 4.2 to the Registrant's Form 8-K filed March 15, 2012).
4.11	Form of 4.25% Senior Notes due 2022 (included within Exhibit 4.10)
4.12	Eighth Supplemental Indenture, dated February 22, 2013, between Wyndham Worldwide Corporation and U.S. Bank National Association, as Trustee, respecting Senior Notes due 2018 and 2023 (incorporated by reference to Exhibit 4.1 to the Registrant's Form 8-K filed February 22, 2013).
4.13	Form of 2.50% Senior Notes due 2018 (included within Exhibit 4.12)
4.14	Form of 3.90% Senior Notes due 2023 (included within Exhibit 4.12)
4.15	Ninth Supplemental Indenture, dated September 15, 2015, between Wyndham Worldwide Corporation and U.S. Bank National Association, as Trustee, respecting Senior Notes due 2025 (incorporated by reference to Exhibit 4.1 to the Registrant's Form 8-K filed September 15, 2015).
4.16	Form of 5.100% Notes due 2025 (included within Exhibit 4.15)
4.17	Tenth Supplemental Indenture, dated March 21, 2017, between Wyndham Worldwide Corporation and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.1 to the Registrant's Form 8-K filed March 21, 2017).
4.18	Form of 4.150% Senior Notes due 2024 (included within Exhibit 4.17)
4.19	Form of 4.500% Senior Notes due 2027 (included within Exhibit 4.17)
4.20	Indenture, dated April 13, 2018, by and among Wyndham Hotels & Resorts, Inc., Wyndham Worldwide Corporation, as guarantor, and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.1 to the Registrant's Form 8-K filed April 19, 2018).
4.21	First Supplemental Indenture, dated April 13, 2018, by and between Wyndham Hotels & Resorts, Inc. and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.2 to the Registrant's Form 8-K filed April 19, 2018).
4.22	Second Supplemental Indenture, dated May 30, 2018, by and between Wyndham Hotels & Resorts, Inc., the New Guarantors (as defined in the Second Supplemental Indenture) and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.1 to the Registrant's Form 8-K filed May 31, 2018).
4.23	Form of Note (included in Exhibit 4.2) (incorporated by reference to Exhibit 4.2 to the Registrant's Form 8-K filed April 19, 2018).
10.1	Credit Agreement, dated as of March 26, 2015, among Wyndham Worldwide Corporation, the lenders party thereto from time to time, Bank of America, N.A., as Administrative Agent, JPMorgan Chase Bank, N.A., as Syndication Agent, and Compass Bank, Credit Suisse AG, Cayman Islands Branch, Deutsche Bank AG, New York Branch, SunTrust Bank, The Bank of Nova Scotia, The Royal Bank of Scotland PLC, U.S. Bank National Association, Wells Fargo Bank, N.A., Barclays Bank PLC, Goldman Sachs Bank USA and The Bank of Tokyo-Mitsubishi UFJ, Ltd., as Co-Documentation Agents (incorporated by reference to Exhibit 10.1 to the Registrant's Form 10-Q filed April 28, 2015).
10.2	Third Amendment, dated as of December 21, 2017, to the Credit Agreement, dated as of March 26, 2015, among Wyndham Worldwide Corporation, the lenders party thereto from time to time, Bank of America, N.A., as Administrative Agent, JPMorgan Chase Bank, N.A., as Syndication Agent, and Compass Bank, Credit Suisse AG, Cayman Islands Branch, Deutsche Bank AG, New York Branch, SunTrust Bank, The Bank of Nova Scotia, The Royal Bank of Scotland PLC, U.S. Bank National Association, Wells Fargo Bank, N.A., Barclays Bank PLC, Goldman Sachs Bank USA and The Bank of Tokyo-Mitsubishi UFJ, Ltd., as Co-Documentation Agents (incorporated by referenced to Exhibit 10.2 to the Registrant's Form 10-K filed on February 20, 2018).

10.3	Fourth Amendment, dated as of March 28, 2018, to the Credit Agreement, dated as of March 26, 2015, among Wyndham Worldwide Corporation, the lenders party thereto from time to time, Bank of America, N.A., as Administrative Agent, JPMorgan Chase Bank, N.A., as Syndication Agent, and Compass Bank, Credit Suisse AG, Cayman Islands Branch, Deutsche Bank AG, New York Branch, SunTrust Bank, The Bank of Nova Scotia, The Royal Bank of Scotland PLC, U.S. Bank National Association, Wells Fargo Bank, N.A., Barclays Bank PLC, Goldman Sachs Bank USA and The Bank of Tokyo-Mitsubishi UFJ, Ltd., as Co-Documentation Agents (incorporated by referenced to Exhibit 10.4 to the Registrant's Form 10-Q filed on May 2, 2018).
10.4	Credit Agreement, dated as of March 24, 2016, among Wyndham Worldwide Corporation, the lenders party thereto from time to time, JPMorgan Chase Bank, N.A., as Administrative Agent and Wells Fargo Bank, National Association and Bank of America, N.A., as Co-Syndication Agents (incorporated by reference to Exhibit 10.1 to the Registrant's Form 10-Q filed April 26, 2016).
10.5	First Amendment, dated as of December 21, 2017, to the Credit Agreement, dated as of March 24, 2016, among Wyndham Worldwide Corporation, the lenders party thereto from time to time, JPMorgan Chase Bank, N.A., as Administrative Agent and Wells Fargo Bank, National Association and Bank of America, N.A., as Co- Syndication Agents (incorporated by referenced to Exhibit 10.4 to the Registrant's Form 10-K filed on February 20, 2018).
10.6	Second Amendment, dated as of March 28, 2018, to the Credit Agreement, dated as of March 24, 2018, among Wyndham Worldwide Corporation, the lenders party thereto from time to time, JPMorgan Chase Bank, N.A., as Administrative Agent and Wells Fargo Bank, National Association and Bank of America, N.A., as Co-Syndication Agents (incorporated by referenced to Exhibit 10.3 to the Registrant's Form 10-Q filed on May 2, 2018).
10.7	Credit Agreement, dated as of November 21, 2017, among Wyndham Worldwide Corporation, the lenders party thereto from time to time, Bank of America, N.A., as Administrative Agent, JPMorgan Chase Bank, N.A., as Syndication Agent and Deutsche Bank Securities Inc., Goldman Sachs Bank USA, Wells Fargo Bank, N.A., Suntrust Bank, The Bank Of Nova Scotia, U.S. Bank National Association, Barclays Bank PLC and The Bank of Tokyo-Mitsubishi UFJ, Ltd., as Co-Documentation Agents (incorporated by referenced to Exhibit 10.5 to the Registrant's Form 10-K filed on February 20, 2018).
10.8	First Amendment, dated as of March 28, 2018, to the Credit Agreement, dated as of November 21, 2017, among Wyndham Worldwide Corporation, the lenders party thereto from time to time, Bank of America, N.A., as Administrative Agent, JPMorgan Chase Bank, N.A., as Syndication Agent and Deutsche Bank Securities Inc., Goldman Sachs Bank USA, Wells Fargo Bank, N.A., Suntrust Bank, The Bank Of Nova Scotia, U.S. Bank National Association, Barclays Bank PLC and The Bank of Tokyo-Mitsubishi UFJ, Ltd., as Co-Documentation Agents (incorporated by referenced to Exhibit 10.2 to the Registrant's Form 10-Q filed on May 2, 2018).
10.9	Credit Agreement, dated as of May 31, 2018, among Wyndham Destinations, Inc., the guarantors party thereto from time to time, Bank of America, N.A., as Administrative and Collateral Agent, and the lenders party thereto (incorporated by reference to Exhibit 10.5 to the Registrant's Form 8-K filed June 4, 2018).
10.10	Amended and Restated Indenture and Servicing Agreement, dated as of October 1, 2010, by and among Sierra Timeshare Conduit Receivables Funding II, LLC, as Issuer, Wyndham Consumer Finance, Inc., as Servicer, Wells Fargo Bank, National Association, as Trustee and U.S. Bank National Association, as Collateral Agent (incorporated by reference to Exhibit 99.1 to the Registrant's Form 8-K filed October 5, 2010).
10.11	First Amendment, dated as of June 28, 2011, to the Amended and Restated Indenture and Servicing Agreement, dated as of October 1, 2010, by and among Sierra Timeshare Conduit Receivables Funding II, LLC, as Issuer, Wyndham Consumer Finance, Inc., as Servicer, Wells Fargo Bank, National Association, as Trustee and U.S. Bank National Association, as Collateral Agent (incorporated by reference to Exhibit 10.1 to the Registrant's Form 10-Q filed August 1, 2011).
10.12	Third Amendment, dated as of August 30, 2012, to the Amended and Restated Indenture and Servicing Agreement, dated as of October 1, 2010, by and among Sierra Timeshare Conduit Receivables Funding II, LLC, as Issuer, Wyndham Consumer Finance, Inc., as Servicer, Wells Fargo Bank, National Association, as Trustee and U.S. Bank National Association, as Collateral Agent (incorporated by reference to Exhibit 10.1 to the Registrant's Form 10-Q filed October 24, 2012).
10.13	Fourth Amendment, dated as of August 29, 2013, to the Amended and Restated Indenture and Servicing Agreement, dated as of October 1, 2010, by and among Sierra Timeshare Conduit Receivables Funding II, LLC, as Issuer, Wyndham Consumer Finance, Inc., as Servicer, Wells Fargo Bank, National Association, as Trustee and U.S. Bank National Association, as Collateral Agent (incorporated by reference to Exhibit 10.1 to the Registrant's Form 10-Q filed October 23, 2013).

10.14	Fifth Amendment, dated as of August 28, 2014, to the Amended and Restated Indenture and Servicing Agreement, dated as of October 1, 2010, by and among Sierra Timeshare Conduit Receivables Funding II, LLC, as Issuer, Wyndham Consumer Finance, Inc., as Servicer, Wells Fargo Bank, National Association, as Trustee and U.S. Bank National Association, as Collateral Agent (incorporated by reference to Exhibit 10.1 to the Registrant's Form 10-Q filed October 24, 2014).
10.15	Sixth Amendment, dated as of August 27, 2015, to the Amended and Restated Indenture and Servicing Agreement, dated as of October 1, 2010, by and among Sierra Timeshare Conduit Receivables Funding II, LLC, as Issuer, Wyndham Consumer Finance, Inc., as Servicer, Wells Fargo Bank, National Association, as Trustee and U.S. Bank National Association, as Collateral Agent (incorporated by reference to Exhibit 10.2 to the Registrant's Form 10-Q filed October 27, 2015).
10.16	Seventh Amendment, dated as of August 23, 2016, to the Amended and Restated Indenture and Servicing Agreement, dated as of October 1, 2010, by and among Sierra Timeshare Conduit Receivables Funding II, LLC, as Issuer, Wyndham Consumer Finance, Inc., as Servicer, Wells Fargo Bank, National Association, as Trustee and U.S. Bank National Association, as Collateral Agent (incorporated by reference to Exhibit 10.1 to the Registrant's Form 10-Q filed October 26, 2016).
10.17	Eight Amendment, dated as of April 6, 2018, to the Amended and Restated Indenture and Servicing Agreement, dated as of October 1, 2010, by and among Sierra Timeshare Conduit Receivables Funding II, LLC, as Issuer, Wyndham Consumer Finance, Inc., as Servicer, Wells Fargo Bank, National Association, as Trustee and U.S. Bank National Association, as Collateral Agent (incorporated by reference to Exhibit 10.5 to the Registrant's Form 10-Q filed May 2, 2018).
10.18	Indenture and Servicing Agreement, dated as of October 5, 2017, by and among Sierra Timeshare Conduit Receivables Funding III, LLC, as Issuer, Wyndham Consumer Finance, Inc., as Servicer, Wells Fargo Bank, National Association, as Trustee and U.S. Bank National Association, as Collateral Agent (incorporated by referenced to Exhibit 10.13 to the Registrant's Form 10-K filed on February 20, 2018).
10.19	Share Sale Agreement, by and among Wyndham Destination Network, LLC, the other Sellers named therein, and Compass IV Limited, dated as of March 27, 2018 (incorporated by reference to Exhibit 10.1 to the Registrant's Form 10-K filed on May 2, 2018).
10.20	Amendment and Restatement Deed to Sale and Purchase Agreement, dated as of May 9, 2018, by and among Wyndham Destination Network, LLC, certain subsidiaries of Wyndham Worldwide Corporation and Compass IV Limited (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K filed May 11, 2018).
10.21†	Employment Agreement with Stephen P. Holmes, dated as of July 31, 2006 (incorporated by reference to Exhibit 10.4 to the Registrant's Form 10-12B/A filed July 7, 2006).
10.22†	Amendment No. 1 to Employment Agreement with Stephen P. Holmes, dated December 31, 2008 (incorporated by reference to Exhibit 10.2 to the Registrant's Form 10-K filed February 27, 2009).
10.23†	Amendment No. 2 to Employment Agreement with Stephen P. Holmes, dated as of November 19, 2009 (incorporated by reference to Exhibit 10.3 to the Registrant's Form 10-K filed February 19, 2010).
10.24†	Amendment No. 3 to Employment Agreement with Stephen P. Holmes, dated December 31, 2012 (incorporated by reference to Exhibit 10.8 to the Registrant's Form 10-K filed February 15, 2013).
10.25†	Amendment No. 4 to Employment Agreement with Stephen P. Holmes, dated May 16, 2013 (incorporated by reference to Exhibit 10.2 to the Registrant's Form 10-Q filed July 24, 2013).
10.26†	Amendment No. 5 to Employment Agreement with Stephen P. Holmes, dated May 14, 2015 (incorporated by reference to Exhibit 10.1 to the Registrant's Form 10-Q filed July 28, 2015).
10.27†	Amendment No. 6 to Employment Agreement with Stephen P. Holmes, dated July 31, 2017 (incorporated by reference to Exhibit 10.1 to the Registrant's Form 10-Q filed October 25, 2017).
10.28†	Letter Agreement, dated as of June 1, 2018, by and between Wyndham Destinations, Inc. and Stephen P. Holmes (incorporated by reference to Exhibit 10.6 to the Registrant's Form 8-K filed June 4, 2018).
10.29†	Separation and Release Agreement, dated as of May 31, 2018, by and between Wyndham Destinations, Inc. and Stephen P. Holmes (incorporated by reference to Exhibit 10.7 to the Registrant's Form 8-K filed June 4, 2018).
10.30†	Employment Agreement with Geoffrey A. Ballotti, dated as of March 31, 2008 (incorporated by reference to Exhibit 10.5 to the Registrant's Form 10-K filed February 27, 2009).

10.31†	Amendment No. 1 to Employment Agreement with Geoffrey A. Ballotti, dated December 31, 2008 (incorporated by reference to Exhibit 10.6 to the Registrant's Form 10-K filed February 27, 2009).
10.32†	Amendment No. 2 to Employment Agreement with Geoffrey A. Ballotti, dated December 16, 2009 (incorporated by reference to Exhibit 10.7 to the Registrant's Form 10-K filed February 19, 2010).
10.33†	Amendment No. 3 to Employment Agreement with Geoffrey A. Ballotti, dated March 1, 2011 (incorporated by reference to Exhibit 10.4 to the Registrant's Form 10-Q filed April 29, 2011).
10.34†	Amendment No. 4 to Employment Agreement with Geoffrey A. Ballotti, dated March 28, 2014 (incorporated by reference to Exhibit 10.2 to the Registrant's Form 10-Q filed April 24, 2014).
10.35†	Amendment No. 5 to Employment Agreement with Geoffrey A. Ballotti, dated February 15, 2017 (incorporated by reference to Exhibit 10.1 to the Registrant's Form 10-Q filed April 26, 2017).
10.36†	Employment Agreement with Gail Mandel, dated as of November 13, 2014 (incorporated by reference to Exhibit 10.17 to the Registrant's Form 10-K filed February 13, 2015).
10.37†	Amendment No. 1 to Employment Agreement with Gail Mandel, dated August 2, 2017 (incorporated by reference to Exhibit 10.3 to the Registrant's Form 10-Q filed October 25, 2017).
10.38†	Separation and Release Agreement, dated as of May 21, 2018, by and between Wyndham Destinations, Inc. and Gail Mandel (incorporated by reference to Exhibit 10.8 to the Registrant's Form 8-K filed June 4, 2018).
10.39†	Employment Agreement with Michael Brown, dated as of April 17, 2017(incorporated by referenced to Exhibit 10.29 to the Registrant's Form 10-K filed on February 20, 2018).
10.40†	Employment Agreement, dated as June 1, 2018, by and between Wyndham Destinations, Inc. and Michael D. Brown (incorporated by reference to Exhibit 10.11 to the Registrant's Form 8-K filed June 4, 2018).
10.41†	Employment Agreement with David B. Wyshner, dated as of August 1, 2017 (incorporated by reference to Exhibit 10.2 to the Registrant's Form 10-Q filed October 25, 2017).
10.42†	Separation and Release Agreement, dated as of July 28, 2017, by and between Wyndham Worldwide Corporation and Thomas G. Conforti (incorporated by reference to Exhibit 10.9 to the Registrant's Form 8-K filed June 4, 2018).
10.43†	Amendment No. 1 to the Separation and Release Agreement, dated as of May 29, 2018, by and between Wyndham Worldwide Corporation and Thomas G. Conforti (incorporated by reference to Exhibit 10.10 to the Registrant's Form 8-K filed June 4, 2018).
10.44†	Employment Agreement, dated as June 1, 2018, by and between Wyndham Destinations, Inc. and Michael Hug (incorporated by reference to Exhibit 10.12 to the Registrant's Form 8-K filed June 4, 2018).
10.45†	Letter Agreement, dated as March 22, 2018, by and between Wyndham Vacation Ownership, Inc. and Elizabeth E. Dreyer (incorporated by reference to Exhibit 10.13 to the Registrant's Form 8-K filed June 4, 2018).
10.46†	Employee Matters Agreement, dated as of May 31, 2018, by and between Wyndham Destinations, Inc. and Wyndham Hotels & Resorts, Inc. (incorporated by reference to Exhibit 10.3 to the Registrant's Form 8-K filed June 4, 2018).
10.47†	Termination and Release Agreement with Thomas Anderson, executed April 28, 2017 (incorporated by reference to Exhibit 10.1 to the Registrant's Form 10-Q filed August 3, 2017).
10.48†	Wyndham Worldwide Corporation 2006 Equity and Incentive Plan (Amended and Restated as of February 27, 2014) (incorporated by reference to Appendix A of the Company's Definitive Proxy Statement on Schedule 14A filed on April 4, 2014).
10.49†	Amendment No. 1 to Wyndham Worldwide Corporation 2006 Equity and Incentive Plan, effective August 2, 2017 (incorporated by reference to Exhibit 10.4 to the Registrant's Form 10-Q filed October 25, 2017).
10.50†	Amended and Restated Wyndham Worldwide Corporation 2006 Equity and Incentive Plan (amended and restated as of March 1, 2018) (incorporated by reference to Appendix A to Wyndham Worldwide Corporation's definitive Proxy Statement on Schedule 14A, filed with the Securities and Exchange Commission on April 6, 2018).
10.51†	Form of Award Agreement for Restricted Stock Units (incorporated by reference to Exhibit 10.17 to the Registrant's Form 10-K filed February 17, 2012).

10.52*†	Form of Award Agreement for Restricted Stock Units for U.S. employees.
10.53*†	Form of Award Agreement for Restricted Stock Units for non-U.S. employees.
10.54*†	Form of Award Agreement for Non-Qualified Stock Options.
10.55*†	Form of Award Agreement for Restricted Stock Units for Non-Employee Directors, dated as of June 1, 2018.
10.56*†	Form of Award Agreement for Restricted Stock Units for U.S. employees, dated as of March 1, 2018.
10.57*†	Form of Award Agreement for Restricted Stock Units for Non-U.S. employees, dated as of March 1, 2018.
10.58*†	Form of Award Agreement for Restricted Stock Units for Non-Employee Directors, dated as of March 1, 2018.
10.59†	Form of Award Agreement for Stock Appreciation Rights (incorporated by reference to Exhibit 10.18 to the Registrant's Form 10-K filed February 17, 2012)
10.60†	Wyndham Worldwide Corporation Savings Restoration Plan (incorporated by reference to Exhibit 10.7 to the Registrant's Form 8-K filed July 19, 2006)
10.61†	Amendment Number One to Wyndham Worldwide Corporation Savings Restoration Plan, dated December 31, 2008 (incorporated by reference to Exhibit 10.17 to the Registrant's Form 10-K filed February 27, 2009)
10.62†	Wyndham Worldwide Corporation Non-Employee Directors Deferred Compensation Plan (incorporated by reference to Exhibit 10.6 to the Registrant's Form 8-K filed July 19, 2006)
10.63†	First Amendment to Wyndham Worldwide Corporation Non-Employee Directors Deferred Compensation Plan (incorporated by reference to Exhibit 10.48 to the Registrant's Form 10-K filed March 7, 2007)
10.64†	Amendment Number Two to the Wyndham Worldwide Corporation Non-Employee Directors Deferred Compensation Plan, dated December 31, 2008 (incorporated by reference to Exhibit 10.20 to the Registrant's Form 10-K filed February 27, 2009)
10.65†	Wyndham Worldwide Corporation Officer Deferred Compensation Plan (incorporated by reference to Exhibit 10.8 to the Registrant's Form 8-K filed July 19, 2006)
10.66†	Amendment Number One to Wyndham Worldwide Corporation Officer Deferred Compensation Plan, dated December 31, 2008 (incorporated by reference to Exhibit 10.22 to the Registrant's Form 10-K filed February 27, 2009)
10.67†	Amendment No. 2 to Wyndham Worldwide Corporation Officer Deferred Compensation Plan, dated December 31, 2012 (incorporated by reference to Exhibit 10.32 to the Registrant's Form 10-K filed February 15, 2013)
10.68	Transition Services Agreement among Cendant Corporation, Realogy Corporation, Wyndham Worldwide Corporation and Travelport Inc., dated as of July 27, 2006 (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K filed July 31, 2006)
10.69	Tax Sharing Agreement among Cendant Corporation, Realogy Corporation, Wyndham Worldwide Corporation and Travelport Inc., dated as of July 28, 2006 (incorporated by reference to Exhibit 10.2 to the Registrant's Form 8-K filed July 31, 2006)
10.70	Amendment, executed July 8, 2008 and effective as of July 28, 2006 to Tax Sharing Agreement, entered into as of July 28, 2006, by and among Avis Budget Group, Inc., Realogy Corporation and Wyndham Worldwide Corporation (incorporated by Reference to Exhibit 10.1 to the Registrant's Form 10-Q filed August 8, 2008)
10.71	Agreement, dated as of July 15, 2010, between Wyndham Worldwide Corporation and Realogy Corporation clarifying Tax Sharing Agreement, dated as of July 28, 2006, among Realogy Corporation, Cendant Corporation, Wyndham Worldwide Corporation and Travelport, Inc. (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K filed July 21, 2010)
10.72	Transition Services Agreement, dated as of May 31, 2018, by and between Wyndham Destinations, Inc. and Wyndham Hotels & Resorts, Inc. (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K filed June 4, 2018).
10.73	Tax Matters Agreement, dated as of May 31, 2018, by and between Wyndham Hotels & Resorts, Inc. and Wyndham Destinations, Inc. (incorporated by reference to Exhibit 10.2 to the Registrant's Form 8-K filed June 4, 2018).

10.74	License, Development and Noncompetition Agreement, dated as of May 31, 2018, by and among Wyndham Destinations, Inc., Wyndham Hotels and Resorts, LLC, Wyndham Hotels & Resorts, Inc., Wyndham Hotel Group Europe Limited, Wyndham Hotel Hong Kong Co. Limited, and Wyndham Hotel Asia Pacific Co. Limited. (incorporated by reference to Exhibit 10.4 to the Registrant's Form 8-K filed June 4, 2018).
10.75	Form Indemnification Agreement to be entered into by Wyndham Destinations, Inc. and its Directors and Executive Officers (incorporated by reference to Exhibit 10.14 to the Registrant's Form 8-K filed June 4, 2018).
10.76†	Wyndham Destinations, Inc. 2018 Employee Stock Purchase Plan (incorporated by reference to Exhibit 99.1 to the Registrant's Form S-8 filed November 16, 2018).
21.1*	Subsidiaries of the Registrant
23.1*	Consent of Independent Registered Public Accounting Firm
31.1*	Certification of Chairman and Chief Executive Officer Pursuant to Rule 13a-14(a) Under the Securities Exchange Act of 1934
31.2*	Certification of Chief Financial Officer Pursuant to Rule 13a-14(a) Under the Securities Exchange Act of 1934
32**	Certification of Chairman and Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document

* Filed with this report.
** Furnished with this report.
†Exhibit Numbers 10.21 through 10.67 and 10.76 are management contracts or compensatory plans or arrangements.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

WYNDHAM DESTINATIONS, INC.

By: /s/ MICHAEL D. BROWN

Michael D. Brown
President and Chief Executive Officer
Date: February 26, 2019

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Name	Title	Date
/s/ MICHAEL D. BROWN **Michael D. Brown**	President, Chief Executive Officer and Director (Principal Executive Officer)	February 26, 2019
/s/ MICHAEL A. HUG **Michael A. Hug**	Executive Vice President and Chief Financial Officer (Principal Financial Officer)	February 26, 2019
/s/ ELIZABETH E. DREYER **Elizabeth E. Dreyer**	Senior Vice President and Chief Accounting Officer (Principal Accounting Officer)	February 26, 2019
/s/ STEPHEN P. HOLMES **Stephen P. Holmes**	Chairman of the Board of Directors	February 26, 2019
/s/ LOUISE F. BRADY **Louise F. Brady**	Director	February 26, 2019
/s/ JAMES E. BUCKMAN **James E. Buckman**	Director	February 26, 2019
/s/ GEORGE HERRERA **George Herrera**	Director	February 26, 2019
/s/ DENNY MARIE POST **Denny Marie Post**	Director	February 26, 2019
/s/ RONALD L. RICKLES **Ronald L. Rickles**	Director	February 26, 2019
/s/ MICHAEL H. WARGOTZ **Michael H. Wargotz**	Director	February 26, 2019

Exhibit 3.3

SECOND AMENDED AND RESTATED

BY-LAWS

OF

WYNDHAM DESTINATIONS, INC.

(hereinafter called the "Corporation")

Article I

OFFICES

Section 1. **Registered Office**. The registered office of the Corporation shall be in the City of Wilmington, County of New Castle, State of Delaware.

Section 2. **Other Offices**. The Corporation may also have offices at such other places, both within and without the State of Delaware, as the Board of Directors may from time to time determine.

ARTICLE II

MEETINGS OF STOCKHOLDERS

Section 1. **Place of Meetings**. Meetings of the stockholders for the election of directors or for any other purpose shall be held at such time and place, either within or without the State of Delaware, as shall be designated from time to time by the Board of Directors.

Section 2. **Annual Meetings**. The Annual Meeting of Stockholders for the election of directors shall be held on such date and at such time as shall be designated from time to time by the Board of Directors. Any other proper business may be transacted at the Annual Meeting of Stockholders.

Section 3. **Special Meetings**. Unless otherwise required by law or by the certificate of incorporation of the Corporation, as amended and restated from time to time (the "Certificate of Incorporation"), Special Meetings of Stockholders, for any purpose or purposes, may be called either the (i) Chairman of the Board of Directors, if there be one, or (ii) the Chief Executive Officer, and shall be called by the Chief Executive Officer at the request in writing made pursuant to a resolution of (a) a majority of the members of the Board of Directors or (b) a committee of the Board of Directors that has been duly designated by the Board of Directors and whose powers and authority include the power to call such meetings. Such request shall state the purpose or purposes of the proposed meeting. The ability of the stockholders to call a Special Meeting of Stockholders is hereby specifically denied. At a Special Meeting of Stockholders, only such business shall be conducted as shall be specified in the notice of meeting (or any supplement thereto).

Section 4. **Notice**. Whenever stockholders are required or permitted to take any action at a meeting, a written notice of the meeting shall be given which shall state the place, date and hour of the meeting, and, in the case of a Special Meeting, the purpose or purposes for which the meeting is called, and the means of remote communications, if any, by which stockholders and proxy holders may be deemed present in person and vote at such meeting. Unless otherwise required by law, written notice of any meeting shall be given not less than ten (10) nor more than sixty (60) days before the date of the meeting to each stockholder entitled to notice of and to vote at such meeting.

Section 5. **Adjournments**. Any meeting of the stockholders may be adjourned from time to time to reconvene at the same or some other place, and notice need not be given of any such adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the Corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty (30) days, or if after the adjournment a new record date is fixed for the adjourned meeting, notice of the adjourned meeting in accordance with the requirements of Section 4 hereof shall be given to each stockholder of record entitled to notice of and to vote at the meeting.

Section 6. **Quorum**. Unless otherwise required by applicable law or the Certificate of Incorporation, the holders of a majority of the Corporation's capital stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders for the transaction of business. If, however, such quorum shall not be present or represented at any meeting of the stockholders, the stockholders entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, in the manner provided in Section 5 hereof, until a quorum shall be present or represented. A quorum, once established, shall not be broken by the withdrawal of enough votes to leave less than a quorum.

Section 7. **Voting**. Unless otherwise required by law, the Certificate of Incorporation or these By-Laws, any question brought before any meeting of the stockholders, other than the election of directors, shall be decided by the vote of the holders of a majority of the total number of votes of the Corporation's capital stock represented and entitled to vote thereon, voting as a single class. Unless otherwise provided in the Certificate of Incorporation, each stockholder represented at a meeting of the stockholders shall be entitled to cast one (1) vote for each share of the capital stock entitled to vote thereat held by such stockholder. Such votes may be cast in person or by proxy as provided in

Section 8 of this Article II. The Board of Directors, in its discretion, or the officer of the Corporation presiding at a meeting of the stockholders, in such officer's discretion, may require that any votes cast at such meeting shall be cast by written ballot.

Section 8. Proxies. Each stockholder entitled to vote at a meeting of the stockholders may authorize another person or persons to act for such stockholder as proxy, but no such proxy shall be voted upon after three years from its date, unless such proxy provides for a longer period. Without limiting the manner in which a stockholder may authorize another person or persons to act for such stockholder as proxy, the following shall constitute a valid means by which a stockholder may grant such authority:

(i) A stockholder may execute a writing authorizing another person or persons to act for such stockholder as proxy. Execution may be accomplished by the stockholder or such stockholder's authorized officer, director, employee or agent signing such writing or causing such person's signature to be affixed to such writing by any reasonable means, including, but not limited to, by facsimile signature.

(ii) A stockholder may authorize another person or persons to act for such stockholder as proxy by transmitting or authorizing the transmission of a telegram or cablegram to the person who will be the holder of the proxy or to a proxy solicitation firm, proxy support service organization or like agent duly authorized by the person who will be the holder of the proxy to receive such telegram or cablegram, provided that any such telegram or cablegram must either set forth or be submitted with information from which it can be determined that the telegram or cablegram was authorized by the stockholder. If it is determined that such telegrams or cablegrams are valid, the inspectors or, if there are no inspectors, such other persons making that determination shall specify the information on which they relied.

Any copy, facsimile telecommunication or other reliable reproduction of the writing, telegram or cablegram authorizing another person or persons to act as proxy for a stockholder may be substituted or used in lieu of the original writing, telegram or cablegram for any and all purposes for which the original writing, telegram or cablegram could be used; provided, however, that such copy, facsimile telecommunication or other reproduction shall be a complete reproduction of the entire original writing, telegram or cablegram.

Section 9. Consent of Stockholders in Lieu of Meeting. Any action required or permitted to be taken by the stockholders of the Corporation must be effected at a duly called Annual or Special Meeting of Stockholders of the Corporation, and the ability of the stockholders to consent in writing to the taking of any action is hereby specifically denied.

Section 10. List of Stockholders Entitled to Vote. The officer of the Corporation who has charge of the stock ledger of the Corporation shall prepare and make, at least ten (10) days before every meeting of the stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten (10) days prior to the meeting either (i) at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held or (ii) during ordinary business hours, at the principal place of business of the Corporation. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present.

Section 11. Record Date. In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of the stockholders or any adjournment thereof, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall not be more than sixty (60) nor less than ten (10) days before the date of such meeting. If no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of the stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of the stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

Section 12. Stock Ledger. The stock ledger of the Corporation shall be the only evidence as to who are the stockholders entitled to examine the stock ledger, the list required by Section 10 of this Article II or the books of the Corporation, or to vote in person or by proxy at any meeting of the stockholders.

Section 13. Conduct of Meetings. The Board of Directors of the Corporation may adopt by resolution such rules and regulations for the conduct of any meeting of the stockholders as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the Board of Directors, the chairman of any meeting of the stockholders shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairman, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board of Directors or prescribed by the chairman of the meeting, may include, without limitation, the following: (i) the establishment of an agenda or order of business for the meeting; (ii) the determination of when the polls shall open and close for any given matter to be voted on at the meeting; (iii) rules and procedures for maintaining order at the meeting and the safety of those present; (iv) limitations on attendance at or participation in the meeting to stockholders of record of the Corporation, their duly authorized and constituted proxies or such other persons as the chairman of the meeting shall determine; (v) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (vi) limitations on the time allotted to questions or comments by participants.

Section 14. Inspectors of Election. In advance of any meeting of the stockholders, the Board of Directors, by resolution, the Chairman or the Chief Executive Officer shall appoint one or more inspectors to act at the meeting and make a written report thereof. One or more other persons may be designated as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate is able to act at a meeting of the stockholders, the chairman of the meeting shall appoint one or more inspectors to act at the meeting. Unless otherwise

required by applicable law, inspectors may be officers, employees or agents of the Corporation. Each inspector, before entering upon the discharge of the duties of inspector, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of such inspector's ability. The inspector shall have the duties prescribed by law and shall take charge of the polls and, when the vote is completed, shall make a certificate of the result of the vote taken and of such other facts as may be required by applicable law.

Section 15. Nature of Business at Meetings of Stockholders. No business may be transacted at an Annual Meeting of Stockholders, other than business that is either (a) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors (or any duly authorized committee thereof), (b) otherwise properly brought before the Annual Meeting by or at the direction of the Board of Directors (or any duly authorized committee thereof), or (c) otherwise properly brought before the Annual Meeting by any stockholder of the Corporation (i) who is a stockholder of record on the date of the giving of the notice provided for in this Section 15 and on the record date for the determination of stockholders entitled to notice of and to vote at such Annual Meeting, (ii) who is entitled to vote at such Annual Meeting and (iii) who complies with the notice procedures set forth in this Section 15.

In addition to any other applicable requirements, for business to be properly brought before an Annual Meeting by a stockholder, such stockholder must have given timely notice thereof in proper written form to the Secretary of the Corporation.

To be timely, a stockholder's notice to the Secretary must be delivered to or mailed and received at the principal executive offices of the Corporation not less than ninety (90) days nor more than one hundred twenty (120) days prior to the anniversary date of the immediately preceding Annual Meeting of Stockholders; provided, however, that in the event that the Annual Meeting is called for a date that is not within thirty (30) days before or after such anniversary date, notice by the stockholder in order to be timely must be so received not later than the close of business on the tenth (10th) day following the day on which such notice of the date of the Annual Meeting was mailed or such public disclosure of the date of the Annual Meeting was made, whichever first occurs. In addition, to be timely, a stockholder's notice under this Section 15 must be further updated and supplemented by the stockholder giving notice, if necessary, so that the information provided or required to be provided in such notice shall be true and correct as of the record date for the Annual Meeting (which update will be provided within five (5) business days of the record date) and as of the date that is ten (10) business days prior (which update will be provided no later than five (5) business days of such date) to the meeting or any adjournment or postponement thereof.

To be in proper written form, a stockholder's notice to the Secretary must set forth as to each matter such stockholder proposes to bring before the Annual Meeting (i) a brief description of the business desired to be brought before the Annual Meeting and the reasons for conducting such business at the Annual Meeting, (ii) the name and record address of such stockholder, (iii) the class or series and number of shares of capital stock of the Corporation which are owned beneficially or of record by such stockholder or any Stockholder Associated Person (as defined below), (iv) a description of all arrangements or understandings between such stockholder or any Stockholder Associated Person and any other person or persons (including their names) in connection with the proposal of such business by such stockholder and any material interest of such stockholder or any Stockholder Associated Person in such business, (v) a representation that such stockholder intends to appear in person or by proxy at the Annual Meeting to bring such business before the meeting, (v) any Additional Interests (as defined below) of such stockholder or any Stockholder Associated Person and (vi) any other information relating to such stockholder or any Stockholder Associated Person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder.

No business shall be conducted at the Annual Meeting of Stockholders except business brought before the Annual Meeting in accordance with the procedures set forth in this Section 15; provided, however, that, once business has been properly brought before the Annual Meeting in accordance with such procedures, nothing in this Section 15 shall be deemed to preclude discussion by any stockholder of any such business. If the chairman of an Annual Meeting determines that business was not properly brought before the Annual Meeting in accordance with the foregoing procedures, the chairman shall declare to the meeting that the business was not properly brought before the meeting and such business shall not be transacted.

Section 16. Nomination of Directors. Only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation, except as may be otherwise provided in the Certificate of Incorporation with respect to the right, if any, of holders of preferred stock of the Corporation to nominate and elect a specified number of directors in certain circumstances. Nominations of persons for election to the Board of Directors may be made at any Annual Meeting of Stockholders, or at any Special Meeting of Stockholders called for the purpose of electing directors, (i) by or at the direction of the Board of Directors (or any duly authorized committee thereof) or (ii) by any stockholder of the Corporation (a) who is a stockholder of record on the date of the giving of the notice provided for in this Section 16 and on the record date for the determination of stockholders entitled to notice of and to vote at such meeting, (b) who is entitled to vote at such meeting and (c) who complies with the notice procedures set forth in this Section 16.

In addition to any other applicable requirements, for a nomination to be made by a stockholder, such stockholder must have given timely notice thereof in proper written form to the Secretary of the Corporation.

To be timely, a stockholder's notice to the Secretary must be delivered to or mailed and received at the principal executive offices of the Corporation (i) in the case of an Annual Meeting, not less than ninety (90) days nor more than one hundred twenty (120) days prior to the anniversary date of the immediately preceding Annual Meeting of Stockholders; provided, however, that in the event that the Annual Meeting is called for a date that is not within thirty (30) days before or after such anniversary date, notice by the stockholder in order to be timely must be so received not later than the close of business on the tenth (10th) day following the day on which such notice of the date of the Annual Meeting was mailed or such public disclosure of the date of the Annual Meeting was made, whichever first occurs; and (ii) in the case of a Special Meeting of Stockholders called for the purpose of electing directors, not later than the close of business on the tenth (10th) day following the day on which notice of the date of the Special Meeting was mailed or public disclosure of the date of the Special Meeting was made, whichever first occurs. In addition, to be timely, a stockholder's notice under this Section 16 must be further updated and supplemented

by the stockholder giving notice, if necessary, so that the information provided or required to be provided in such notice shall be true and correct as of the record date for the Annual Meeting (which update will be provided within five (5) business days of the record date) and as of the date that is ten (10) business days prior (which update will be provided no later than five (5) business days of such date) to the meeting or any adjournment or postponement thereof.

To be in proper written form, a stockholder's notice to the Secretary must set forth (i) as to each person whom the stockholder proposes to nominate for election as a director (a) the name, age, business address and residence address of the person, (b) the principal occupation or employment of the person, (c) the class or series and number of shares of capital stock (if any) of the Corporation which are owned beneficially or of record by the person, (d) any other information relating to the person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the rules and regulations promulgated thereunder and (e) a description of any Additional Interests of the person and a description of all arrangements or understandings between or among such stockholder or any Stockholder Associated Person, on the one hand, and the person and his or her respective affiliates and associates (as those terms are defined in Rule 12b-2 under the Exchange Act), or other persons acting in concert therewith, on the other hand; and (ii) as to the stockholder giving the notice (a) the name and record address of such stockholder, (b) the class or series and number of shares of capital stock of the Corporation which are owned beneficially or of record by such stockholder or any Stockholder Associated Person, (c) a description of all arrangements or understandings between such stockholder or any Stockholder Associated Person and each proposed nominee and any other person or persons (including their names) pursuant to which the nomination(s) are to be made by such stockholder, (d) a representation that such stockholder intends to appear in person or by proxy at the meeting to nominate the persons named in its notice, (e) any other information relating to such stockholder or any Stockholder Associated Person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder and (f) any Additional Interests of such stockholder or any Stockholder Associated Person. Such notice must be accompanied by a written consent of each proposed nominee to being named as a nominee and to serve as a director if elected. The Corporation may require any proposed director nominee to furnish such other information as the Corporation may reasonably require to determine the eligibility of such proposed nominee to serve as a director of the Corporation.

No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the procedures set forth in this Section 16. If the chairman of the meeting determines that a nomination was not made in accordance with the foregoing procedures, the Chairman shall declare to the meeting that the nomination was defective and such defective nomination shall be disregarded.

Section 17. Certain Definitions. For purposes of these By-Laws, a "Stockholder Associated Person" of any stockholder means (i) any "affiliate" or "associate" (as those terms are defined in Rule 12b-2 under the Exchange Act) of such stockholder, (ii) any beneficial owner of any stock or other securities of the Corporation owned of record or beneficially by such stockholder and (iii) any person acting in concert in respect of any matter involving the Corporation or its securities with such stockholder.

For purposes of these By-Laws, "Additional Interests" means, with respect to any stockholder, Stockholder Associated Person or proposed director nominee (i) any options, warrants, puts, calls, convertible securities, stock appreciation rights, or similar rights, obligations or commitments with an exercise or conversion privilege or a settlement payment or mechanism at a price related to any capital stock or other securities of the Corporation or with a value derived in whole or in part from the value of any capital stock or other securities of the Corporation, whether or not such instrument, right, obligation or commitment shall be subject to settlement in the underlying capital stock or other securities of the Corporation (each a "Derivative Security"), which are, directly or indirectly, beneficially owned by such stockholder, Stockholder Associated Person or proposed director nominee, (ii) any arrangement or understanding, including any repurchase or similar so-called "stock borrowing" arrangement, engaged in, directly or indirectly, by such stockholder, Stockholder Associated Person or proposed director nominee, the purpose or effect of which is to mitigate loss to, reduce the economic risk (of ownership or otherwise) of any class or series of capital stock or other securities of the Corporation by, manage the risk of share price changes for, or increase or decrease the voting power of, such stockholder, Stockholder Associated Person or proposed director nominee with respect to any capital stock or other securities of the Corporation, or that provides, directly or indirectly, the opportunity to profit from any decrease in the price or value of any capital stock or other securities of the Corporation, (iii) a description of any other direct or indirect opportunity to profit or share in any profit (including any performance-based fees) derived from any increase or decrease in the value of capital stock or other securities of the Corporation, (vi) any proxy, contract, arrangement, understanding or relationship pursuant to which such stockholder, Stockholder Associated Person or proposed director nominee has a right to vote any capital stock or other securities of the Corporation, (iv) any rights to dividends on the shares of the Corporation owned beneficially by such stockholder, Stockholder Associated Person or proposed director nominee that are separated or separable from the underlying capital stock of the Corporation and (v) any proportionate interest in capital stock of the Corporation or Derivative Securities held, directly or indirectly, by a general or limited partnership in which such stockholder, Stockholder Associated Person or proposed director nominee is a general partner or, directly or indirectly, beneficially owns an interest in a general partner.

ARTICLE III

DIRECTORS

Section 1. Number and Election of Directors. The Board of Directors shall consist of not less than three (3) or more than fifteen (15) members, the exact number of which shall be fixed, from time to time, exclusively pursuant to a resolution adopted by the affirmative vote of a majority of the entire Board of Directors, and subject to the rights of the holders of Preferred Stock, if any, the exact number may be increased or decreased (but not to less than three (3) or more than fifteen (15)). Except as provided in Section 2 of this Article III, directors shall be elected by a plurality of the votes of the shares present in person or represented by proxy at the meeting and entitled to vote on the election of directors. A director shall hold office until his or her successor shall be elected and shall qualify, subject, however, to prior death, resignation, retirement, disqualification or removal from office. Directors need not be stockholders. At each annual meeting of stockholders, directors elected to succeed those directors whose terms expire at such annual meeting shall be elected for a term expiring at the next annual

meeting of stockholders. In no case will a decrease in the number of directors shorten the term of any incumbent director.

Section 2. Vacancies. Subject to the terms of any one or more classes or series of preferred stock, any vacancy on the Board of Directors that results from an increase in the number of directors may be filled by a majority of the Board of Directors then in office, provided that a quorum is present, and any other vacancy occurring on the Board of Directors may be filled by a majority of the Board of Directors then in office, even if less than a quorum, or by a sole remaining director. Any director appointed in accordance with the preceding sentence shall hold office for a term expiring at the next annual meeting of stockholders, and in each case shall serve until such director's successor shall have been elected and shall qualify, subject, however, to prior death, resignation, retirement, disqualification or removal from office.

Section 3. Duties and Powers. The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors which may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute or by the Certificate of Incorporation or by these By-Laws required to be exercised or done by the stockholders.

Section 4. Meetings. The Board of Directors may hold meetings, both regular and special, either within or without the State of Delaware. Regular meetings of the Board of Directors may be held without notice at such time and at such place as may from time to time be determined by the Board of Directors. Special meetings of the Board of Directors may be called by the Chairman, if there be one, or the Chief Executive Officer. Notice thereof stating the place, date and hour of the meeting shall be given to each director either by mail not less than forty-eight (48) hours before the date of the meeting, by telephone, facsimile or telegram or other means of electronic communication on twenty-four (24) hours' notice, or on such shorter notice as the person or persons calling such meeting may deem necessary or appropriate in the circumstances.

Section 5. Organization. At each meeting of the Board of Directors, the Chairman of the Board of Directors, or, in his or her absence, a director chosen by a majority of the directors present, shall act as chairman. The Secretary of the Corporation shall act as secretary at each meeting of the Board of Directors. In case the Secretary shall be absent from any meeting of the Board of Directors, an Assistant Secretary shall perform the duties of secretary at such meeting; and in the absence from any such meeting of the Secretary and all the Assistant Secretaries, the chairman of the meeting may appoint any person to act as secretary of the meeting.

Section 6. Resignations and Removals of Directors. Any director of the Corporation may resign at any time, by giving notice in writing to the Chairman of the Board of Directors, the Chief Executive Officer or the Secretary of the Corporation. Such resignation shall take effect at the time therein specified or, if no time is specified, immediately; and, unless otherwise specified in such notice, the acceptance of such resignation shall not be necessary to make it effective. Subject to the rights, if any, of the holders of shares of preferred stock then outstanding, any director may be removed from office at any time with or without cause, provided that removal pursuant to this Section 6 shall require the affirmative vote of the holders of at least eighty percent (80%) of the voting power of the Corporation's then outstanding capital stock entitled to vote thereon.

Section 7. Quorum. Except as otherwise required by law or the Certificate of Incorporation, at all meetings of the Board of Directors, a majority of the entire Board of Directors shall constitute a quorum for the transaction of business and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board of Directors. If a quorum shall not be present at any meeting of the Board of Directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting of the time and place of the adjourned meeting, until a quorum shall be present.

Section 8. Actions of the Board by Written Consent. Unless otherwise provided in the Certificate of Incorporation or these By-Laws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting, if all the members of the Board of Directors or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board of Directors or committee.

Section 9. Meetings by Means of Conference Telephone. Unless otherwise provided in the Certificate of Incorporation or these By-Laws, members of the Board of Directors of the Corporation, or any committee thereof, may participate in a meeting of the Board of Directors or such committee by means of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this Section 9 shall constitute presence in person at such meeting.

Section 10. Committees. The Board of Directors may designate one or more committees, each committee to consist of one or more of the directors of the Corporation. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of any such committee. In the absence or disqualification of a member of a committee, and in the absence of a designation by the Board of Directors of an alternate member to replace the absent or disqualified member, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any absent or disqualified member. Any committee, to the extent permitted by law and provided in the resolution establishing such committee, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it. Each committee shall keep regular minutes and report to the Board of Directors when required.

Section 11. Compensation. The directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors and may be paid a fixed sum for attendance at each meeting of the Board of Directors or a stated salary for service as director, payable in cash or securities. No such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like compensation for service as committee members.

Section 12. Interested Directors. No contract or transaction between the Corporation and one or more of its directors or officers, or

between the Corporation and any other corporation, partnership, association or other organization in which one or more of its directors or officers are directors or officers or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the Board of Directors or committee thereof which authorizes the contract or transaction, or solely because any such director's or officer's vote is counted for such purpose if: (i) the material facts as to the director's or officer's relationship or interest and as to the contract or transaction are disclosed or are known to the Board of Directors or the committee, and the Board of Directors or committee in good faith authorizes the contract or transaction by the affirmative vote of a majority of the disinterested directors, even though the disinterested directors be less than a quorum; or (ii) the material facts as to the director's or officer's relationship or interest and as to the contract or transaction are disclosed or are known to the stockholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the stockholders; or (iii) the contract or transaction is fair as to the Corporation as of the time it is authorized, approved or ratified by the Board of Directors, a committee thereof or the stockholders. Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorizes the contract or transaction.

ARTICLE IV

OFFICERS

Section 1. General. The officers of the Corporation shall be chosen by the Board of Directors and shall be a Chief Executive Officer, President, a Secretary and a Treasurer. The Board of Directors, in its discretion, also may choose a Chairman of the Board of Directors (who must be a director) and one or more Vice Presidents, Assistant Secretaries, Assistant Treasurers and other officers. Any number of offices may be held by the same person, unless otherwise prohibited by law, the Certificate of Incorporation or these By-Laws. The officers of the Corporation need not be stockholders of the Corporation nor, except in the case of the Chairman of the Board of Directors, need such officers be directors of the Corporation.

Section 2. Election. The Board of Directors, at its first meeting held after each Annual Meeting of Stockholders, as necessary, shall elect the officers of the Corporation who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Directors; and each officer of the Corporation shall hold office until such officer's successor is elected and qualified, or until such officer's earlier death, resignation or removal. Any officer elected by the Board of Directors may be removed at any time by the Board of Directors. Any vacancy occurring in any office of the Corporation shall be filled by the Board of Directors. The salaries of all officers of the Corporation shall be fixed by the Board of Directors.

Section 3. Voting Securities Owned by the Corporation. Powers of attorney, proxies, waivers of notice of meeting, consents and other instruments relating to securities owned by the Corporation may be executed in the name of and on behalf of the Corporation by the Chief Executive Officer, President or any Vice President or any other officer authorized to do so by the Board of Directors and any such officer may, in the name of and on behalf of the Corporation, take all such action as any such officer may deem advisable to vote in person or by proxy at any meeting of security holders of any corporation in which the Corporation may own securities and at any such meeting shall possess and may exercise any and all rights and power incident to the ownership of such securities and which, as the owner thereof, the Corporation might have exercised and possessed if present. The Board of Directors may, by resolution, from time to time confer like powers upon any other person or persons.

Section 4. Chairman of the Board of Directors. The Chairman of the Board of Directors, if there be one, shall preside at all meetings of the stockholders and of the Board of Directors. Except where by law the signature of the President or Chief Executive Officer is required, the Chairman of the Board of Directors shall possess the same power as the Chief Executive Officer to sign all contracts, certificates and other instruments of the Corporation which may be authorized by the Board of Directors. During the absence or disability of the Chief Executive Officer, the Chairman of the Board of Directors shall exercise all the powers and discharge all the duties of the Chief Executive Officer, except that if the Chairman of the Board of Directors is absent or disabled, the Board of Directors shall authorize another officer to exercise all the powers and discharge all the duties of the Chief Executive Officer. The Chairman of the Board of Directors shall also perform such other duties and may exercise such other powers as may from time to time be assigned by these By-Laws or by the Board of Directors.

Section 5. Vice Chairman of the Board of Directors. The Vice Chairman of the Board of Directors, if there be one, shall assume all of the duties of the Chairman of the Board of Directors assigned by these By-Laws in the event of the absence or disability of the Chairman of the Board of Directors. The Vice Chairman of the Board of Directors shall also perform such other duties and may exercise such other powers as may from time to time be assigned by these By-Laws or by the Board of Directors.

Section 6. Chief Executive Officer. The Chief Executive Officer shall, subject to the control of the Board of Directors and, if there be one, the Chairman of the Board of Directors, have general supervision of the business of the Corporation and shall see that all orders and resolutions of the Board of Directors are carried into effect. The Chief Executive Officer shall execute all bonds, mortgages, contracts and other instruments of the Corporation requiring a seal, under the seal of the Corporation, except where required or permitted by law to be otherwise signed and executed and except that the other officers of the Corporation may sign and execute documents when so authorized by these By-Laws, the Board of Directors or the Chief Executive Officer. In the absence or disability of the Chairman of the Board of Directors, or if there be none, the Chief Executive Officer shall preside at all meetings of the stockholders. The Chief Executive Officer shall also perform such other duties and may exercise such other powers as may from time to time be assigned to such officer by these By-Laws or by the Board of Directors.

Section 7. President. The President shall have such duties and responsibilities as from time to time may be assigned to him by the Chairman or the Board of Directors. The President shall be empowered to sign all certificates, contracts and other instruments of the Corporation, and to do all acts which are authorized by the Chairman or the Board of Directors, and shall, in general, have such other duties and responsibilities as are assigned consistent with the authority of a President of a corporation.

Section 8. **Vice Presidents**. Each Vice President shall have such powers and shall perform such duties as shall be assigned to him by the Board of Directors.

Section 9. **Secretary**. The Secretary shall attend all meetings of the Board of Directors and all meetings of the stockholders and record all the proceedings thereat in a book or books to be kept for that purpose; the Secretary shall also perform like duties for committees of the Board of Directors when required. The Secretary shall give, or cause to be given, notice of all meetings of the stockholders and special meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors, the Chairman of the Board of Directors or the Chief Executive Officer, under whose supervision the Secretary shall be. If the Secretary shall be unable or shall refuse to cause to be given notice of all meetings of the stockholders and special meetings of the Board of Directors, and if there be no Assistant Secretary, then either the Board of Directors or the Chief Executive Officer may choose another officer to cause such notice to be given. The Secretary shall have custody of the seal of the Corporation and the Secretary or any Assistant Secretary, if there be one, shall have authority to affix the same to any instrument requiring it and when so affixed, it may be attested by the signature of the Secretary or by the signature of any such Assistant Secretary. The Board of Directors may give general authority to any other officer to affix the seal of the Corporation and to attest to the affixing by such officer's signature. The Secretary shall see that all books, reports, statements, certificates and other documents and records required by law to be kept or filed are properly kept or filed, as the case may be.

Section 10. **Treasurer**. The Treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors. The Treasurer shall disburse the funds of the Corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the Chief Executive Officer and the Board of Directors, at its regular meetings, or when the Board of Directors so requires, an account of all transactions as Treasurer and of the financial condition of the Corporation. If required by the Board of Directors, the Treasurer shall give the Corporation a bond in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of the office of the Treasurer and for the restoration to the Corporation, in case of the Treasurer's death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in the Treasurer's possession or under the Treasurer's control belonging to the Corporation.

Section 11. **Assistant Secretaries**. Assistant Secretaries, if there be any, shall perform such duties and have such powers as from time to time may be assigned to them by the Board of Directors, the Chief Executive Officer, President, any Vice President, if there be one, or the Secretary, and in the absence of the Secretary or in the event of the Secretary's inability or refusal to act, shall perform the duties of the Secretary, and when so acting, shall have all the powers of and be subject to all the restrictions upon the Secretary.

Section 12. **Assistant Treasurers**. Assistant Treasurers, if there be any, shall perform such duties and have such powers as from time to time may be assigned to them by the Board of Directors, the Chief Executive Officer, President, any Vice President, if there be one, or the Treasurer, and in the absence of the Treasurer or in the event of the Treasurer's inability or refusal to act, shall perform the duties of the Treasurer, and when so acting, shall have all the powers of and be subject to all the restrictions upon the Treasurer. If required by the Board of Directors, an Assistant Treasurer shall give the Corporation a bond in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of the office of Assistant Treasurer and for the restoration to the Corporation, in case of the Assistant Treasurer's death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in the Assistant Treasurer's possession or under the Assistant Treasurer's control belonging to the Corporation.

Section 13. **Other Officers**. Such other officers as the Board of Directors may choose shall perform such duties and have such powers as from time to time may be assigned to them by the Board of Directors. The Board of Directors may delegate to any other officer of the Corporation the power to choose such other officers and to prescribe their respective duties and powers.

ARTICLE V

STOCK

Section 1. **Uncertificated Shares**. Unless otherwise provided by resolution of the Board of Directors, each class or series of the shares of capital stock in the Corporation shall be issued in uncertificated form pursuant to the customary arrangements for issuing shares in such form. Shares shall be transferable only on the books of the Corporation by the holder thereof in person or by attorney upon presentment of proper evidence of succession, assignation or authority to transfer in accordance with the customary procedures for transferring shares in uncertificated form.

Section 2. **Dividend Record Date**. In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than sixty (60) days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

Section 3. **Record Owners**. The Corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and to hold liable for calls and assessments a person registered on its books as the owner of shares, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise required by law.

Section 4. **Transfer and Registry Agents**. The Corporation may from time to time maintain one or more transfer offices or agencies and registry offices or agencies at such place or places as may be determined from time to time by the Board of Directors.

ARTICLE VI

NOTICES

Section 1. **Notices**. Whenever written notice is required by law, the Certificate of Incorporation or these By-Laws, to be given to any director, member of a committee or stockholder, such notice may be given either personally by mail, facsimile, telegraph or other means of electronic communication or by other lawful means. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to such director, member of a committee or stockholder, at such person's address as it appears on the records of the Corporation, with postage thereon prepaid. If notice be by facsimile, telegram, or other means of electronic communication, such notice shall be deemed to be given at the time provided in the General Corporation Law of the State of Delaware ("DGCL"). Such further notice shall be given as may be required by law.

Section 2. **Waivers of Notice**. Whenever any notice is required by applicable law, the Certificate of Incorporation or these By-Laws, to be given to any director, member of a committee or stockholder, a waiver thereof in writing, signed by the person or persons entitled to notice, whether before or after the time stated therein, shall be deemed equivalent thereto. Attendance of a person at a meeting, present in person or represented by proxy, shall constitute a waiver of notice of such meeting, except where the person attends the meeting for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any Annual or Special Meeting of Stockholders or any regular or special meeting of the directors or members of a committee of directors need be specified in any written waiver of notice unless so required by law, the Certificate of Incorporation or these By-Laws.

ARTICLE VII

GENERAL PROVISIONS

Section 1. **Dividends**. Dividends upon the capital stock of the Corporation, subject to the requirements of the DGCL and the provisions of the Certificate of Incorporation, if any, may be declared by the Board of Directors at any regular or special meeting of the Board of Directors (or any action by written consent in lieu thereof in accordance with Section 8 of Article III hereof), and may be paid in cash, in property, or in shares of the Corporation's capital stock. Before payment of any dividend, there may be set aside out of any funds of the Corporation available for dividends such sum or sums as the Board of Directors from time to time, in its absolute discretion, deems proper as a reserve or reserves to meet contingencies, or for purchasing any of the shares of capital stock, warrants, rights, options, bonds, debentures, notes, scrip or other securities or evidences of indebtedness of the Corporation, or for equalizing dividends, or for repairing or maintaining any property of the Corporation, or for any proper purpose, and the Board of Directors may modify or abolish any such reserve.

Section 2. **Disbursements**. All checks or demands for money and notes of the Corporation shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

Section 3. **Fiscal Year**. The fiscal year of the Corporation shall be fixed by resolution of the Board of Directors.

Section 4. **Corporate Seal**. The corporate seal shall have inscribed thereon the name of the Corporation, the year of its organization and the words "Corporate Seal, Delaware". The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

ARTICLE VIII

INDEMNIFICATION

Section 1. **Power to Indemnify in Actions, Suits or Proceedings other than Those by or in the Right of the Corporation**. Subject to Section 3 of this Article VIII, the Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation), by reason of the fact that such person is or was a director or officer of the Corporation, or is or was a director or officer of the Corporation serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding 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 Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe such person's conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which such person reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that such person's conduct was unlawful.

Section 2. **Power to Indemnify in Actions, Suits or Proceedings by or in the Right of the Corporation**. Subject to Section 3 of this Article VIII, the Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that such person is or was a director or officer of the Corporation, or is or was a director or officer of the Corporation serving at the request of the Corporation as a

director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit 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 Corporation; except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation unless and only to the extent that the Court of Chancery of the State of Delaware or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

Section 3. Authorization of Indemnification. Any indemnification under this Article VIII (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the present or former director or officer is proper in the circumstances because such person has met the applicable standard of conduct set forth in Section 1 or Section 2 of this Article VIII, as the case may be. Such determination shall be made, with respect to a person who is a director or officer at the time of such determination, (i) by a majority vote of the directors who are not parties to such action, suit or proceeding, even though less than a quorum, or (ii) by a committee of such directors designated by a majority vote of such directors, even though less than a quorum, or (iii) if there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion or (iv) by the stockholders. Such determination shall be made, with respect to former directors and officers, by any person or persons having the authority to act on the matter on behalf of the Corporation. To the extent, however, that a present or former director or officer of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding described above, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith, without the necessity of authorization in the specific case.

Section 4. Good Faith Defined. For purposes of any determination under Section 3 of this Article VIII, a person shall be deemed to have acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation, or, with respect to any criminal action or proceeding, to have had no reasonable cause to believe such person's conduct was unlawful, if such person's action was based on the records or books of account of the Corporation or another enterprise, or on information supplied to such person by the officers of the Corporation or another enterprise in the course of their duties, or on the advice of legal counsel for the Corporation or another enterprise or on information or records given or reports made to the Corporation or another enterprise by an independent certified public accountant or by an appraiser or other expert selected with reasonable care by the Corporation or another enterprise. The provisions of this Section 4 shall not be deemed to be exclusive or to limit in any way the circumstances in which a person may be deemed to have met the applicable standard of conduct set forth in Section 1 or Section 2 of this Article VIII, as the case may be.

Section 5. Indemnification by a Court. Notwithstanding any contrary determination in the specific case under Section 3 of this Article VIII, and notwithstanding the absence of any determination thereunder, any director or officer may apply to the Court of Chancery of the State of Delaware or any other court of competent jurisdiction in the State of Delaware for indemnification to the extent otherwise permissible under Section 1 or Section 2 of this Article VIII. The basis of such indemnification by a court shall be a determination by such court that indemnification of the director or officer is proper in the circumstances because such person has met the applicable standard of conduct set forth in Section 1 or Section 2 of this Article VIII, as the case may be. Neither a contrary determination in the specific case under Section 3 of this Article VIII nor the absence of any determination thereunder shall be a defense to such application or create a presumption that the director or officer seeking indemnification has not met any applicable standard of conduct. Notice of any application for indemnification pursuant to this Section 5 shall be given to the Corporation promptly upon the filing of such application. If successful, in whole or in part, the director or officer seeking indemnification shall also be entitled to be paid the expense of prosecuting such application.

Section 6. Expenses Payable in Advance. Expenses (including attorneys' fees) incurred by a director or officer in defending any civil, criminal, administrative or investigative action, suit or proceeding shall be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such director or officer to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified by the Corporation as authorized in this Article VIII. Such expenses (including attorneys' fees) incurred by former directors and officers or other employees and agents may be so paid upon such terms and conditions, if any, as the Corporation deems appropriate.

Section 7. Nonexclusivity of Indemnification and Advancement of Expenses. The indemnification and advancement of expenses provided by, or granted pursuant to, this Article VIII shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under the Certificate of Incorporation, these By-Laws, any statute, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office, it being the policy of the Corporation that indemnification of the persons specified in Section 1 and Section 2 of this Article VIII shall be made to the fullest extent permitted by law. The provisions of this Article VIII shall not be deemed to preclude the indemnification of any person who is not specified in Section 1 or Section 2 of this Article VIII but whom the Corporation has the power or obligation to indemnify under the provisions of the DGCL, or otherwise.

Section 8. Insurance. The Corporation may purchase and maintain insurance on behalf of any person who is or was a director or officer of the Corporation, or is or was a director or officer of the Corporation serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the Corporation would have the power or the obligation to indemnify such person against such liability under the provisions of this Article VIII.

Section 9. Certain Definitions. For purposes of this Article VIII, references to "the Corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors or officers, so that any person who is or

was a director or officer of such constituent corporation, or is or was a director or officer of such constituent corporation serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Article VIII with respect to the resulting or surviving corporation as such person would have with respect to such constituent corporation if its separate existence had continued. The term "another enterprise" as used in this Article VIII shall mean any other corporation or any partnership, joint venture, trust, employee benefit plan or other enterprise of which such person is or was serving at the request of the Corporation as a director, officer, employee or agent. For purposes of this Article VIII, references to "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to "serving at the request of the Corporation" shall include any service as a director, officer, employee or agent of the Corporation which imposes duties on, or involves services by, such director or officer with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner such person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the Corporation" as referred to in this Article VIII.

Section 10. Survival of Indemnification and Advancement of Expenses. The indemnification and advancement of expenses provided by, or granted pursuant to, this Article VIII shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a director or officer and shall inure to the benefit of the heirs, executors and administrators of such a person.

Section 11. Limitation on Indemnification. Notwithstanding anything contained in this Article VIII to the contrary, except for proceedings to enforce rights to indemnification (which shall be governed by Section 5 of this Article VIII), the Corporation shall not be obligated to indemnify any director or officer (or his or her heirs, executors or personal or legal representatives) or advance expenses in connection with a proceeding (or part thereof) initiated by such person unless such proceeding (or part thereof) was authorized or consented to by the Board of Directors of the Corporation.

Section 12. Indemnification of Employees and Agents. The Corporation may, to the extent authorized from time to time by the Board of Directors, provide rights to indemnification and to the advancement of expenses to employees and agents of the Corporation similar to those conferred in this Article VIII to directors and officers of the Corporation.

ARTICLE IX

AMENDMENTS

Section 1. Amendments. In furtherance and not in limitation of the powers conferred upon it by the laws of the State of Delaware, the Board of Directors shall have the power to adopt, amend, alter or repeal the Corporation's By-Laws. The affirmative vote of at least a majority of the entire Board of Directors shall be required to adopt, amend, alter or repeal the Corporation's By-Laws. The Corporation's By-Laws also may be adopted, amended, altered or repealed by the affirmative vote of the holders of at least eighty percent (80%) of the voting power of the shares entitled to vote at an election of directors.

Section 2. Entire Board of Directors. As used in this Article IX and in these By-Laws generally, the term "entire Board of Directors" means the total number of directors which the Corporation would have if there were no vacancies.

ARTICLE X

FORUM

Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware or, if such court lacks jurisdiction, any state or federal court in the State of Delaware (any such court, a "Chosen Court"), shall be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer, other employee or stockholder of the Corporation to the Corporation or the Corporation's stockholders, (iii) any action asserting a claim arising pursuant to any provision of the DGCL, the Certificate of Incorporation or these By-Laws (with respect to each, as may be amended from time to time), or (iv) any other action asserting a claim governed by the internal affairs doctrine. Any person holding, purchasing or otherwise acquiring any interest in shares of capital stock of the Corporation shall be (a) deemed to have notice of and consented to the provisions of this Article X, and (b) deemed to have waived any argument relating to the inconvenience of the Chosen Court in connection with any action or proceeding described in this Section X. If any action the subject matter of which is within the scope of this Article X is filed in a court other than a Chosen Court (a "Foreign Action") in the name of any stockholder, such stockholder shall be deemed to have consented to (i) the personal jurisdiction of the Chosen Courts in connection with any action brought in any such court to enforce this Section X (an "Enforcement Action") and (ii) having service of process made upon such stockholder in any such Enforcement Action by service upon such stockholder's counsel in the Foreign Action as agent for such stockholder.

If any provision or provisions of this Article X shall be held to be invalid, illegal or unenforceable as applied to any person or circumstance for any reason whatsoever, then, to the fullest extent permitted by law, the validity, legality and enforceability of such provision(s) with respect to any other person and in any other circumstance and of the remaining provisions of this Article X (including, without limitation, each portion of any sentence of this Article X containing any such provision held to be invalid, illegal or unenforceable that is not itself held to be invalid, illegal or unenforceable as to such person or circumstance) and the application of such provision to other persons and circumstances shall not in any way be affected or impaired thereby.

Exhibit 10.52

WYNDHAM DESTINATIONS, INC.
2006 EQUITY AND INCENTIVE PLAN, AS AMENDED AND RESTATED

AWARD AGREEMENT – RESTRICTED STOCK UNITS

This Award Agreement (this "Agreement"), dated as of _____, is by and between Wyndham Destinations, Inc., a Delaware corporation (the "Company"), and you (the "Grantee"), pursuant to the terms and conditions of the Wyndham Destinations, Inc. (formerly known as Wyndham Worldwide Corporation) 2006 Equity and Incentive Plan, as amended and restated (the "Plan").

In consideration of the provisions contained in this Agreement, the Company and the Grantee agree as follows:

1. The Plan. The RSU Award (as defined below) granted to the Grantee hereunder is made pursuant to the Plan. A copy of the Plan and a prospectus for the Plan are available at the Grantee's portal page on Benefits Online available at www.benefits.ml.com (the "Portal Page"), and the terms of the Plan are hereby incorporated in this Agreement as fully as though actually set forth herein. Terms used in this Agreement which are not defined in this Agreement shall have the meanings used or defined in the Plan.

2. RSU Award. Concurrently with the execution of this Agreement, subject to the terms and conditions set forth in the Plan and this Agreement, the Company hereby grants the RSUs described on the Portal Page (the "RSU Award") to the Grantee. Upon the vesting of the RSU Award, as described in Paragraph 3 below, the Company shall deliver, no later than March 15 of the calendar year following the calendar year in which all or portion of the RSU Award vests, for each RSU that vests, one share of Stock, subject to Paragraph 6 below.

3. Vesting. The RSU Award shall vest in accordance with the following schedule, subject to the Grantee's continuous employment with the Company or one of its Subsidiaries through each applicable vesting date:

Vesting Date	Vesting RSUs

Upon (a) a Change in Control occurring during the Grantee's continuous employment with the Company or one of its Subsidiaries, (b) the Grantee's termination of employment with the Company and its Subsidiaries by reason of the Grantee's death or Disability (as defined in Code Section 409A), or (c) if applicable, such other event as set forth in the Grantee's written agreement of employment with the Company or one of its Subsidiaries, the RSU Award shall become immediately and fully vested, subject to any terms and conditions set forth in the Plan and/or imposed by the Committee.

4. Termination of Employment. Notwithstanding any other provision of the Plan to the contrary and, if applicable, subject to the Grantee's written agreement of employment with the Company or one of its Subsidiaries, upon the termination of the Grantee's employment with the Company and its Subsidiaries for any reason whatsoever (other than the Grantee's death or Disability), the RSU Award, to the extent not yet vested, shall immediately and automatically terminate.

5. No Rights to Continued Employment. Neither this Agreement nor the RSU Award shall be construed as giving the Grantee any right to continue in the employ of the Company or any of its Subsidiaries or interfere in any way with the right of the Company or any of its Subsidiaries to terminate such employment. Notwithstanding any other provision of the Plan, the RSU Award, this Agreement or any other agreement (written or oral) to the contrary, (a) for purposes of the Plan and the RSU Award, a termination of employment shall be deemed to have occurred on the date upon which the Grantee ceases to perform active employment duties for the Company and its Subsidiaries, without regard to any period of notice of termination of employment (whether expressed or implied) or any period of severance or salary continuation; and (b) the Grantee shall not be entitled (and by accepting the RSU Award, automatically and irrevocably waives any such entitlement), by way of compensation for loss of office or otherwise, to any sum or other benefit to compensate the Grantee for the loss of any rights under the Plan as a result of the termination or expiration of the RSU Award in connection with any termination of employment. No amounts earned pursuant to the Plan or any Award made under the Plan, including the RSU Award, shall be deemed to be eligible compensation in respect of any other plan of the Company or any of its Subsidiaries.

6. Tax Obligations. As a condition to the granting of the RSU Award and the vesting thereof, the Grantee agrees to remit to the Company or any of its applicable Subsidiaries such sum as may be necessary to discharge the Company's or such Subsidiary's obligations with respect to any tax, assessment or other governmental charge imposed on property or income received by the Grantee pursuant to this Agreement and the RSU Award by having the Company automatically withhold upon any vesting of this RSU Award a sufficient number of the shares of Stock issuable upon such vesting so as to satisfy any such obligations.

7. Clawback. The RSU Award and any shares of Stock delivered pursuant to the RSU Award are subject to forfeiture, recovery by the Company or other action pursuant to any applicable clawback or recoupment policy which the Company may adopt from time to time, including without limitation any such policy which the Company may be required to adopt under the Dodd-Frank Wall Street Reform and Consumer Protection Act and implementing rules and regulations thereunder, or as otherwise required by law.

8. No Advice Regarding Grant. The Company and its Subsidiaries are not providing any tax, legal or financial advice, nor are the Company and its Subsidiaries making any recommendations regarding the Grantee's participation in the Plan, or the Grantee's acquisition or sale of the underlying shares of Stock. The Grantee is hereby advised to consult with the Grantee's own personal tax, legal and financial advisors regarding the Grantee's participation in the Plan before taking any action related to the Plan.

9. Failure to Enforce Not a Waiver. The failure of the Company to enforce at any time any provision of this Agreement shall in no way be construed to be a waiver of such provision or of any other provision hereof.

10. Authority. The Committee shall have full authority to interpret and construe the terms of the Plan and this Agreement. The determination of the Committee as to any such matter of interpretation or construction shall be final, binding and conclusive on all parties.

11. Rights as a Stockholder. The Grantee shall have no rights as a stockholder of the Company with respect to any shares of Stock underlying or relating to the RSU Award until the issuance of shares of Stock to the Grantee in respect of the RSU Award; provided, however, that in the event the Board shall declare a dividend on the Stock, a dividend equivalent equal to the per share amount of such dividend shall be credited on all RSUs underlying the RSU Award and outstanding on the record date for such dividend, such dividend equivalents to be payable in cash without interest on the vesting date of the RSUs on which the dividend equivalents were credited and shall otherwise be subject to the same terms and conditions as the RSUs on which the dividend equivalents were credited.

12. **Code Section 409A.** Although the Company does not guarantee to the Grantee any particular tax treatment relating to the RSU Award, it is intended that the RSU Award be exempt from Code Section 409A, and this Agreement shall be construed in a manner consistent with the requirements for avoiding taxes or penalties under Code Section 409A. Notwithstanding anything herein to the contrary, in no event whatsoever shall the Company or any of its affiliates be liable for any additional tax, interest or penalties that may be imposed on the Grantee by Code Section 409A or any damages for failing to comply with Code Section 409A.

13. **Succession and Transfer.** Each and all of the provisions of this Agreement are binding upon and inure to the benefit of the Company and the Grantee and their respective estate, successors and assigns, subject to any limitations on transferability under applicable law or as set forth in the Plan or herein.

14. **Electronic Delivery and Acceptance.** The Company may, in its sole discretion, elect to deliver any documents related to current or future participation in the Plan by electronic means. The Grantee hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

15. **No Assignment; Nontransferability.** This Agreement (and the RSU Award) may not be assigned by the Grantee by operation of law or otherwise. In the event of the Grantee's termination of employment by reason of death, the RSU Award and any Awards previously granted to the Grantee under the Plan shall not be transferable except by will or the laws of descent and distribution.

16. **Notices.** Any notice required or permitted under this Agreement shall be deemed given when delivered personally, or when deposited in a United States Post Office, postage prepaid, addressed, as appropriate, to (a) the Grantee at the last address specified in Grantee's employment records and (b) the Company, Attention: General Counsel, or such other address as the Company may designate in writing to the Grantee.

17. **Amendments.** This Agreement may be amended or modified at any time by an instrument in writing signed by the parties to this Agreement.

18. **Severability.** The provisions of this Agreement are severable, and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

19. **Governing Law.** This Agreement and the legal relations between the parties shall be governed by and construed in accordance with the internal laws of the State of Delaware, without effect to the conflicts of laws principles thereof. For purposes of litigating any dispute that arises under the RSU Award or this Agreement, the parties hereby submit to and consent to the exclusive jurisdiction of the State of New Jersey where this grant is made and/or to be performed, and agree that such litigation shall be conducted in the federal courts for the United States for the District of New Jersey, or if jurisdiction does not exist in such federal court, the state courts in Morris County, New Jersey.

**

IN WITNESS WHEREOF, this Agreement is effective as of the date first above written.

WYNDHAM DESTINATIONS, INC.

_____
Signature of Participant

_____ Authorized Signature Wyndham Destinations, Inc.

Exhibit 10.53

WYNDHAM DESTINATIONS, INC.
2006 EQUITY AND INCENTIVE PLAN,
AS AMENDED AND RESTATED

AWARD AGREEMENT – RESTRICTED STOCK UNITS
(NON-US EMPLOYEE)

This Award Agreement (this "Agreement"), dated as of_____, is by and between Wyndham Destinations, Inc., a Delaware corporation (the "Company"), and you (the "Grantee"), pursuant to the terms and conditions of the Wyndham Destinations, Inc. (formerly known as Wyndham Worldwide Corporation) 2006 Equity and Incentive Plan, as amended and restated (the "Plan").

In consideration of the provisions contained in this Agreement, the Company and the Grantee agree as follows:

1. The Plan. The RSU Award (as defined below) granted to the Grantee hereunder is made pursuant to the Plan. A copy of the Plan and a prospectus for the Plan are available at the Grantee's portal page on Benefits Online available at www.benefits.ml.com (the "Portal Page"), and the terms of the Plan are hereby incorporated in this Agreement as fully as though actually set forth herein. Terms used in this Agreement which are not defined in this Agreement shall have the meanings used or defined in the Plan.

2. RSU Award. Concurrently with the execution of this Agreement, subject to the terms and conditions set forth in the Plan and this Agreement, the Company hereby grants the RSUs described on the Portal Page (the "RSU Award") to the Grantee. Upon the vesting of the RSU Award, as described in Paragraph 5 below, the Company shall deliver, no later than March 15 of the calendar year following the calendar year in which all or portion of the RSU Award vests, for each RSU that vests, one share of Stock, subject to Paragraph 6 below.

Notwithstanding the foregoing, the Company, in its sole discretion, may provide for the settlement of the RSUs in the form of: (a) a cash payment (in an amount equal to the Fair Market Value of the shares of Stock that correspond to the number of vested RSUs) to the extent that settlement in shares of Stock (i) is prohibited under local law, (ii) would require the Grantee, the Company or any of its Affiliates to obtain the approval of any governmental or regulatory body in the Grantee's country of residence (or country of employment, if different), (iii) would result in adverse tax consequences for the Grantee, the Company or any of its Affiliates, or (iv) is administratively burdensome; or (b) shares of Stock, but require the Grantee to sell such shares of Stock immediately or within a specified period following the Grantee's termination of employment (in which case, the Grantee hereby agrees that the Company shall have the authority to issue sale instructions in relation to such shares of Stock on the Grantee's behalf without further consent).

3. Nature of Grant. In accepting the RSU Award, the Grantee acknowledges that: (1) the Plan is established voluntarily by the Company, is discretionary in nature and may be modified, amended, suspended or terminated by the Company at any time; (2) the grant of the RSU Award is voluntary and occasional and does not create any contractual or other right to receive future awards under the Plan, or benefits in lieu of Awards under the Plan, even if Awards under the Plan have been granted repeatedly in the past; (3) all decisions with respect to future Awards, if any, will be at the sole discretion of the Company; (4) the Grantee's participation in the Plan shall not create a right to further employment with the Grantee's employer (the "Employer") and shall not interfere with the ability of the Employer to terminate the Grantee's employment relationship at any time, for any or no reason to the extent permitted under applicable law; (5) the Grantee is voluntarily participating in the Plan; (6) the RSU Award and the shares of Stock subject to the RSU Award are an extraordinary item that does not constitute compensation of any kind for services of any kind rendered to the Company or any of its Subsidiaries, including the Employer, and are outside the scope of the Grantee's employment contract, if any; (7) the RSU Award, the shares of Stock subject to the RSU Award and the income and value of same are not intended to replace any pension rights or compensation; (8) the RSU Award, the shares of Stock subject to the RSU Award and the income and value of same are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end of service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company, the Employer or any Subsidiary or Affiliate of the Company; (9) the RSU Award and the Grantee's participation in the Plan will not be interpreted to form an employment contract or relationship with the Company or any Subsidiary or Affiliate; (10) the future value of the underlying shares of Stock is unknown and cannot be predicted with certainty; (11) in consideration of the grant of the RSU Award, no claim or entitlement to compensation or damages shall arise from forfeiture of the RSU Award resulting from termination of the Grantee's employment with the Company or any of its Subsidiaries, including the Employer, for any reason whatsoever and whether or not in breach of local labor laws (or later found invalid), and the Grantee irrevocably releases the Company and its Subsidiaries, including the Employer, from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, the Grantee shall be deemed irrevocably to have waived the Grantee's entitlement to pursue such claim; (12) in the event of termination of the Grantee's employment (whether or not in breach of local labor laws), the Grantee's right to vest in the RSU Award under the Plan, if any, will terminate effective as of the date that the Grantee is no longer actively employed and will not be extended by any notice period mandated under local law (e.g., active employment would not include a period of "garden leave" or similar period pursuant to local law); the Committee shall have the exclusive discretion to determine when the Grantee is no longer actively employed for purposes of the RSU Award (including whether the Grantee shall be considered actively employed while on a leave of absence); (13) the RSU Award and the benefits under the Plan, if any, do not create any entitlement not otherwise specifically provided for in the Plan or provided by the Company in its discretion, to have the RSU Award or any such benefits transferred to, or assumed by, another company, nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the shares of Stock; and (14) neither the Company nor any of its Affiliates shall be liable for any exchange rate fluctuation between the Grantee's local currency and the U.S. dollar that may affect the value of the RSU Award or any amounts due to the Grantee pursuant to the settlement of the RSU Award or the subsequent sale of any shares of Stock acquired upon settlement of the RSU Award.

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

5. Vesting. The RSU Award shall vest in accordance with the following schedule, subject to the Grantee's continuous employment with the Company or one of its Subsidiaries through each applicable vesting date:

Vesting Date	Vesting RSUs

Upon (a) a Change in Control occurring during the Grantee's continuous employment with the Company or one of its Subsidiaries, (b) the Grantee's termination of

employment with the Company and its Subsidiaries by reason of the Grantee's death or Disability (as defined in Code Section 409A), or (c) if applicable, such other event as set forth in the Grantee's written agreement of employment with the Company or one of its Subsidiaries, the RSU Award shall become immediately and fully vested, subject to any terms and conditions set forth in the Plan and/or imposed by the Committee.

6. Tax Obligations. Regardless of any action the Company or the Employer takes with respect to any or all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to the Grantee's participation in the Plan and legally applicable to the Grantee ("Tax-Related Items"), the Grantee acknowledges that the ultimate liability for all Tax-Related Items is and remains the Grantee's responsibility and may exceed the amount actually withheld by the Company or the Employer, if any. The Grantee further acknowledges that the Company and the Employer (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the RSUs, including, but not limited to, the grant or vesting of the RSUs, the issuance of shares of Stock upon settlement of the RSUs, the subsequent sale of shares of Stock acquired pursuant to such issuance and the receipt of any dividends or dividend equivalents; and (b) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the RSUs to reduce or eliminate Grantee's liability for Tax-Related Items or achieve any particular tax result. Further, if Grantee has become subject to tax in more than one jurisdiction between the date of grant and the date of any relevant taxable or tax withholding event, as applicable, the Grantee acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction. Prior to any relevant taxable or tax withholding event, as applicable, the Grantee will pay or make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, the Grantee authorizes the Company and/or the Employer, or their respective agents, at their discretion, to satisfy the obligations with regard to all Tax-Related Items by one or a combination of the following: (i) withholding from the Grantee's wages or other cash compensation paid to the Grantee by the Company and/or the Employer; or (ii) withholding from the proceeds of the sale of shares of Stock acquired upon vesting/settlement of the RSU Award, either through a voluntary sale or through a mandatory sale arranged by the Company (on the Grantee's behalf pursuant to this authorization without further consent); or (iii) withholding the shares of Stock to be issued upon vesting/settlement of the RSU Award.

To avoid negative accounting treatment, the Company may withhold or account for TaxRelated Items by considering applicable minimum statutory withholding amounts (as determined by the Company in good faith and in its sole discretion) or other applicable withholding rates, including maximum applicable rates. If the obligation for Tax-Related Items is satisfied by withholding in shares of Stock, for tax purposes, the Grantee is deemed to have been issued the full number of shares of Stock subject to the vested RSUs, notwithstanding that a number of the shares of Stock are held back solely for the purpose of paying the Tax-Related Items due as a result of any aspect of the Grantee's participation in the Plan.

Finally, Grantee shall pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of the Grantee's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the shares of Stock or the proceeds of the sale of shares of Stock, if the Grantee fails to comply with the Grantee's obligations in connection with the Tax-Related Items.

7. Clawback. The RSU Award and any compensation paid or shares of Stock delivered pursuant to the RSU Award are subject to forfeiture, recovery by the Company or other action pursuant to any applicable clawback or recoupment policy which the Company may adopt from time to time, including without limitation any such policy which the Company may be required to adopt under the United States Dodd-Frank Wall Street Reform and Consumer Protection Act and implementing rules and regulations thereunder, or as otherwise required by law. The Company shall have the right to offset against any other amounts due from the Company to the Grantee the amount owed by the Grantee hereunder.

8. No Advice Regarding Grant. The Company and its Subsidiaries are not providing any tax, legal or financial advice, nor are the Company and its Subsidiaries making any recommendations regarding the Grantee's participation in the Plan, or the Grantee's acquisition or sale of the underlying shares of Stock. The Grantee is hereby advised to consult with the Grantee's own personal tax, legal and financial advisors regarding the Grantee's participation in the Plan before taking any action related to the Plan.

9. Failure to Enforce Not a Waiver. The failure of the Company to enforce at any time any provision of this Agreement shall in no way be construed to be a waiver of such provision or of any other provision hereof.

10. Authority. The Committee shall have full authority to interpret and construe the terms of the Plan and this Agreement. The determination of the Committee as to any such matter of interpretation or construction shall be final, binding and conclusive on all parties.

11. Rights as a Stockholder. The Grantee shall have no rights as a stockholder of the Company with respect to any shares of Stock underlying or relating to the RSU Award until the issuance of shares of Stock to the Grantee in respect of the RSU Award; provided, however, that in the event the Board shall declare a dividend on the Stock, a dividend equivalent equal to the per share amount of such dividend shall be credited on all RSUs underlying the RSU Award and outstanding on the record date for such dividend, such dividend equivalents to be payable in cash without interest on the vesting date of the RSUs on which the dividend equivalents were credited and shall otherwise be subject to the same terms and conditions as the RSUs on which the dividend equivalents were credited.

12. Code Section 409A. Although the Company does not guarantee to the Grantee any particular tax treatment relating to the RSU Award, it is intended that the RSU Award be exempt from Code Section 409A, to the extent applicable, and this Agreement shall be construed in a manner consistent with the requirements for avoiding taxes or penalties under Code Section 409A. Notwithstanding anything herein to the contrary, in no event whatsoever shall the Company or any of its Affiliates be liable for any additional tax, interest or penalties that may be imposed on the Grantee by Code Section 409A or any damages for failing to comply with Code Section 409A, if applicable.

13. Succession and Transfer. Each and all of the provisions of this Agreement are binding upon and inure to the benefit of the Company and the Grantee and their respective estate, successors and assigns, subject to any limitations on transferability under applicable law or as set forth in the Plan or herein.

14. Electronic Delivery and Acceptance. The Company may, in its sole discretion, elect to deliver any documents related to current or future participation in the Plan by electronic means. The Grantee hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company. The Grantee agrees that all online acknowledgements shall have the same force and effect as a written signature.

15. Insider Trading and/or Market Abuse. By participating in the Plan, the Grantee agrees to comply with the Company's policy on insider trading (to the extent that it is applicable to the Grantee). The Grantee further acknowledges that, depending on the Grantee's or his or her broker's country of residence or where the shares of Stock are listed, the Grantee may be subject to insider trading restrictions and/or market abuse laws that may affect the Grantee's ability to accept, acquire, sell or otherwise dispose of shares of Stock, rights to shares of Stock (e.g., RSUs) or rights linked to the value of shares of Stock, during such times the Grantee is considered to have "inside information" regarding the Company as defined by the laws or regulations in the Grantee's country. Local insider trading laws and regulations may prohibit the cancellation or amendment of orders the Grantee places before the Grantee possessed inside information. Furthermore, the Grantee could be prohibited from (i) disclosing the inside information to any third party (other than on a "need to know" basis) and (ii) "tipping" third parties or causing them otherwise to buy or sell securities. The Grantee understands that third parties include fellow employees. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. The Grantee acknowledges that it is the Grantee's responsibility to comply with any applicable restrictions, and that the Grantee should therefore consult the Grantee's personal advisor on this matter.

16. **No Public Offer.** The grant of the RSU Award is not intended to be a public offering of securities in the Grantee's country. The Company has not submitted any registration statement, prospectus or other filings with the local securities authorities (unless otherwise required under local law), and the grant of the RSU Award is not subject to the supervision of the local securities authorities.

17. **Language.** If the Grantee is resident in a country where English is not an official language, the Grantee acknowledges and agrees that it is the Grantee's express intent that this Agreement, the Plan and all other documents, notices and legal proceedings entered into, given or instituted pursuant to the RSU Award be drawn up in English. If the Grantee has received this Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

18. **Foreign Asset Reporting; Repatriation; Compliance with Law.** The Grantee acknowledges that certain foreign asset and/or account reporting requirements may affect the Grantee's ability to acquire or hold the shares of Stock acquired under the Plan or cash received from participating in the Plan (including from any dividends paid on the shares of Stock acquired under the Plan) in a brokerage or bank account outside the Grantee's country. The Grantee may be required to report such accounts, assets or transactions to the tax or other authorities in the Grantee's country. The Grantee also may be required to repatriate dividends, sale proceeds or other funds received as a result of participating in the Plan to the Grantee's country through a designated bank or broker within a certain time after receipt. The Grantee acknowledges that it is the Grantee's responsibility to be compliant with such regulations, and the Grantee should speak to the Grantee's personal advisor on this matter. In addition, the Grantee agrees to take any and all actions, and consents to any and all actions taken by the Company and its Affiliates, as may be required to allow the Company and its Affiliates to comply with local laws, rules and/or regulations in the Grantee's country. Finally, the Grantee agrees to take any and all actions as may be required to comply with the Grantee's personal obligations under local laws, rules and/or regulations in the Grantee's country.

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

20. **Data Privacy.** *The Grantee acknowledges the collection, use and transfer, in electronic or other form, of the Grantee's Personal Data (defined below) as described in this Agreement and any other grant materials by and among, as necessary and applicable, the Company or any of its Affiliates, for the legitimate purpose of implementing, administering and managing the Grantee's participation in the Plan.*

The Grantee understands that the Company and/or the Employer collects, holds, uses, and processes certain personal information about the Grantee, including, but not limited to, the Grantee's name, home address, email address and telephone number, date of birth, social security or insurance number, passport number or other identification number, salary, nationality, and any shares of Stock or directorships held in the Company, and details of the RSU Award or any other entitlement to shares of Stock, canceled, exercised, vested, unvested or outstanding in the Grantee's favor ("Personal Data"). The Company and/or the Employer acts as the controller/owner of this Personal Data, and processes this Personal Data for the legitimate purpose of implementing, administering and managing the Plan.

The Grantee understands that the Personal Data will be transferred to Merrill Lynch or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. The Grantee understands that the recipients of Personal Data may be located in the United States or elsewhere, and that the recipients' country (e.g., the United States) may have different data privacy laws and protections than the Grantee's country. The Grantee understands that the Grantee may request a list with the names and addresses of any potential recipients of Personal Data by contacting the Grantee's local human resources representative. When transferring Personal Data to these potential recipients, the Company provides appropriate safeguards in accordance with EU Standard Contractual Clauses, the EU-U.S. Privacy Shield, or another legally binding and permissible arrangement. The Grantee may request a copy of such safeguards from Grantee's local human resources representative.

The Grantee authorizes the Company, Merrill Lynch and any other possible recipients that may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer Personal Data, in electronic or other form, for the sole purpose of implementing, administering and managing the Grantee's participation in the Plan. The Grantee understands that Personal Data will be held only as long as is necessary to implement, administer and manage the Grantee's participation in the Plan. To the extent provided by local law, the Grantee may, at any time, have the right to request: access to Personal Data, rectification of Personal Data, erasure of Personal Data, restriction of processing of Personal Data, and portability of Personal Data. The Grantee may also have the right to object, on grounds related to a particular situation, to the processing of Personal Data, as well as opt-out of the Plan herein, in any case without cost, by contacting in writing the Grantee's local human resources representative. The Grantee understands, however, that the only consequence of refusing to provide Personal Data is that the Company would not be able to grant to the Grantee RSUs or other equity awards or administer or maintain such awards. Therefore, the Grantee understands that refusing to provide Personal Data may affect the Grantee's ability to participate in the Plan. For more information on the consequences of the Grantee's refusal to provide Personal Data, the Grantee understands that he or she may contact the Grantee's local human resources representative.

21. **No Assignment; Nontransferability.** This Agreement (and the RSU Award) may not be assigned by the Grantee by operation of law or otherwise. In the event of the Grantee's termination of employment by reason of death, the RSU Award and any Awards previously granted to the Grantee under the Plan shall not be transferable except by will or the laws of descent and distribution.

22. **Notices.** Any notice required or permitted under this Agreement shall be deemed given when delivered personally, or when deposited in a United States Post Office, postage prepaid, addressed, as appropriate, to (a) the Grantee at the last address specified in Grantee's employment records and (b) the Company, Attention: General Counsel, or such other address as the Company may designate in writing to the Grantee.

23. **Amendments.** This Agreement may be amended or modified at any time by an instrument in writing signed by the parties to this Agreement.

24. **Severability.** The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

25. **Governing Law.** This Agreement and the legal relations between the parties shall be governed by and construed in accordance with the internal laws of the State of Delaware in the United States, without effect to the conflicts of laws principles thereof. For purposes of litigating any dispute that arises under the RSU Award or this Agreement, the parties hereby submit to and consent to the exclusive jurisdiction of the State of New Jersey in the United States where this grant is made and/or to be performed, and agree that such litigation shall be conducted in the federal courts for the United States for the District of New Jersey, or if jurisdiction does not exist in such federal court, the state courts in Morris County, New Jersey in the United States.

***

IN WITNESS WHEREOF, this Agreement is effective as of the date first above written.

_____
Signature of Participant

_____ Authorized Signature Wyndham Destinations, Inc.

APPENDIX A
ADDITIONAL PROVISIONS FOR NON-U.S. EMPLOYEES

TERMS AND CONDITIONS

This Appendix A includes special terms and conditions that govern the RSU Award granted to the Grantee under the Plan if the Grantee resides in one of the countries listed below. If the Grantee is a citizen or resident of a country other than the one in which the Grantee is currently working, is considered a resident of another country for local law purposes or if the Grantee transfers employment and/or residency between countries after the RSU Award is granted, the Company will, in its discretion, determine the extent to which the terms and conditions herein will be applicable to the Grantee (or the Company may establish alternative terms and conditions as may be necessary or advisable). Certain capitalized terms used but not defined in this Appendix A have the meanings set forth in the Plan and/or the Agreement.

NOTIFICATIONS

This Appendix A also includes information regarding exchange controls and certain other issues of which the Grantee should be aware with respect to the Grantee's participation in the Plan. The information is based on the securities, exchange control and other laws in effect in the respective countries as of January 2018. Such laws are often complex and change frequently. As a result, the Company strongly recommends that the Grantee not rely on the information in the Appendix A as the only source of information relating to the consequences of the Grantee's participation in the Plan because the information may be out of date at the time that the RSU Award vests, or the Grantee acquires shares of Stock or sells shares of Stock acquired under the Plan. This Appendix A does not address notification requirements in every country. It is the Grantee's responsibility to consult with the Grantee's advisor as to the existence and nature of applicable requirements in the Grantee's country.

In addition, the information contained herein is general in nature and may not apply to the Grantee's particular situation, and the Company is not in a position to assure the Grantee of any particular result. Accordingly, the Grantee is advised to seek appropriate professional advice as to how the relevant laws in the Grantee's country may apply to the Grantee's situation.

Finally, if the Grantee is a citizen or resident of a country other than the one in which the Grantee is currently working, is considered a resident of another country for local law purposes or if the Grantee transfers employment and/or residency between countries after the date the RSU Award is granted, the information contained herein may not be applicable to the Grantee in the same manner.

ARGENTINA

Terms and Conditions

Labor Law Acknowledgement. This provision supplements Section 3 of the Agreement.

In accepting the RSU Award, the Grantee acknowledges and agrees that the grant of the RSU Award is made by the Company (not the Employer) in its sole discretion and the value of the RSU Award or any shares of Stock acquired under the Plan shall not constitute salary or wages for any purpose under Argentine labor law, including, but not limited to, the calculation of (i) any labor benefits including, without limitation, vacation pay, compensation in lieu of notice, annual bonus, disability, and leave of absence payments, etc., or (ii) any termination or severance indemnities or similar payments.

If, notwithstanding the foregoing, any benefits under the Plan are considered as salary or wages for any purpose under Argentine labor law, the Grantee acknowledges and agrees that such benefits shall not accrue more frequently than on each vesting date. The Grantee further acknowledges and agrees the RSU Award is an extraordinary benefit, which for labor law purposes (e.g., thirteenth month salary, Christmas bonuses, or similar payments) are valued at the Fair Market Value of the shares of Stock on the date of vesting, when the shares of Stock are delivered to the Grantee. A portion of such value may be deducted, to be taken into account for thirteenth month salary purposes as of the month in which the vesting occurs if required under local law.

Notifications

Securities Law Information. Neither the RSU Award nor the underlying shares of Stock are publicly offered or listed on any stock exchange in Argentina. The offer is private and not subject to the supervision of any Argentine governmental authority.

Exchange Control Information. If the Grantee is an Argentine resident, the Grantee must comply with any and all Argentine currency exchange restrictions, approvals and reporting requirements in connection with the RSU Award. Argentine residents should consult with their personal advisor to confirm what will be required (if anything), as the exchange control rules and regulations are subject to change without notice.

AUSTRALIA

Terms and Conditions

Compliance with Law. Notwithstanding any provision in the Agreement to the contrary, the Grantee will not be entitled to, and shall not claim any benefit (including, without limitation, a legal right as set forth in Sections 2 and 5 of the Agreement) under the Plan if the provision of such benefit would give rise to a breach of Part 2D.2 of the Corporations Act 2001 (Cth) (the "Corporations Act"), any other provision of the Corporations Act, or any other applicable statute, rule or regulation which limits or restricts the giving of such benefits. Further, the Company's Subsidiary in Australia is under no obligation to seek or obtain the approval of its shareholders in a general meeting for the purpose of overcoming any such limitation or restriction.

Notifications

Tax Information. The Plan is a plan to which Subdivision 83A-C of the Income Tax Assessment Act 1997 (Cth) (the "Tax Assessment Act") applies (subject to the conditions in the Tax Assessment Act).

BELGIUM

Notifications

Foreign Account/Asset Reporting Notification. Belgian residents are required to report any taxable income attributed to RSUs on their annual tax return. In addition, Belgian residents are required to report any securities held (including shares of Stock) or bank accounts (including brokerage accounts) they maintain outside of Belgium on their annual tax return. In a separate report, they must provide the National Bank of Belgium with certain details regarding such foreign accounts (including the account number, bank name and country in which any such account was opened). The forms to complete this report are available on the website of the National Bank of Belgium.

Stock Exchange Tax. A stock exchange tax applies to transactions executed by a Belgian resident through a financial intermediary, such as a bank or broker. If the transaction is conducted through a Belgian financial intermediary, it may withhold the stock exchange tax, but if the transaction is conducted through a non-Belgian financial intermediary, the Belgian resident may need to report and pay the stock exchange tax directly. The stock exchange tax likely will apply when the shares of Stock acquired under the Plan are sold. Belgian residents should consult with a personal tax or financial advisor for additional details on their obligations with respect to the stock exchange tax.

BRAZIL

Terms and Conditions

Compliance with Law. In accepting the RSU Award, the Grantee agrees to comply with all applicable Brazilian laws and to report and pay any and all applicable Tax-Related Items associated with the vesting/settlement of the RSU Award, the sale of shares of Stock acquired under the Plan or the receipt of dividends.

Labor Law Acknowledgement. In accepting the RSU Award, the Grantee agrees that he or she is (i) making an investment decision, (ii) the shares of Stock will be issued to the Grantee only if the vesting conditions are met, and (iii) the value of the underlying shares of Stock is not fixed and may increase or decrease in value over the vesting period without compensation to the Grantee.

Notifications

Exchange Control Information. If the Grantee is a resident or domiciled in Brazil, he or she will be required to submit annually a declaration of assets and rights (including shares of Stock issued upon settlement of the RSU Award) held outside Brazil to the Central Bank of Brazil if the aggregate value of such assets and rights held abroad is equal to or exceeds a threshold that is established annually by the Central Bank. Further, if the Grantee is a resident or domiciled in Brazil, and transfers funds into Brazil (e.g., proceeds from the sale of shares of Stock), he or she is required to transfer such funds through a duly authorized bank and provide any requested supporting documents to the bank. By accepting the RSU Award, the Grantee acknowledges that it is his or her responsibility to comply with the Brazilian exchange control laws, and neither the Company nor the Employer will be liable for any fines or penalties resulting from the Grantee's failure to comply with applicable exchange control laws. The Grantee should consult with his or her personal legal advisor to ensure compliance with applicable Brazilian regulations.

CANADA

Terms and Conditions

Settlement of RSU Award. Notwithstanding Section 2 of the Agreement; the RSU Award does not provide any right for the Grantee to receive a cash payment and the RSU Award will be settled only in shares of Stock.

The following provisions apply to Grantees in Quebec:

Consent to Receive Information in English. The parties acknowledge that it is their express wish that the Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Les parties reconnaissent avoir exigé la rédaction en anglais de cette convention, ainsi que de tous documents, avis et procédures judiciaires, exécutés, donnés ou intentés en vertu de, ou liés directement ou indirectement à, la présente convention.

Data Privacy. The following provision supplements Section 20 of the Agreement:

The Grantee hereby authorizes the Company and the Company's representative to discuss with and obtain all relevant information from all personnel, professional or non-professional, involved with the administration of the Plan. The Grantee further authorizes the Company and the Employer to disclose and discuss the Grantee's participation in the Plan with their advisors. The Grantee also authorizes the Company and the Employer to record such information and keep it in Grantee's employee file.

Notifications

Securities Law Notification. The Grantee may not be permitted to sell within Canada shares of Stock acquired under the Plan. The Grantee may only be permitted to sell or dispose of any shares of Stock acquired under the Plan if such sale or disposal takes place outside of Canada through the facilities of a stock exchange on which the shares of Stock are listed (i.e., the New York Stock Exchange).

Foreign Asset/Account Reporting Notification. Specified foreign property, including shares of Stock, RSUs, and other rights to receive shares (e.g., stock options) of a non-Canadian company held by a Canadian resident generally must be reported annually on a Form T1135 (Foreign Income Verification Statement) if the total cost of his or her specified foreign assets exceeds CAD 100,000 at any time during the year. Thus, the RSU Award must be reported (generally at a nil cost) if the CAD 100,000 cost threshold is exceeded because the Grantee holds other specified foreign property. When shares of Stock are acquired, their cost generally is the adjusted cost base ("ACB") of the shares of Stock. The ACB ordinarily is equal the fair market value of the shares of Stock at the time of acquisition, but if the Grantee owns other shares of Stock, this ACB may have to be averaged with the ACB of the other shares of Stock. The Grantee should consult his or her personal tax advisor to ensure compliance with the applicable reporting obligations.

CHINA

Terms and Conditions

The following terms and conditions apply if the Grantee is subject to exchange control restrictions and regulations in China, including the requirements imposed by the State Administration of Foreign Exchange ("SAFE"), as determined by the Company in its sole discretion.

Exchange Control Restrictions. The Grantee understands and agrees that, to facilitate compliance with exchange control requirements, the Grantee is required to hold the shares of Stock received upon settlement of the RSU Award with the Company's designated brokerage firm until the shares of Stock are sold.

Further, the Grantee understands and agrees that the Grantee will be required to immediately repatriate to China dividends and proceeds from the sale of any shares of Stock acquired under the Plan. The Grantee also understands and agrees that such repatriation of proceeds may need to be effected through a special bank account established by the Company or its Subsidiary in China, and the Grantee hereby consents and agrees that dividends and proceeds from the sale of shares of Stock acquired under the Plan may be transferred to such account on the Grantee's behalf prior to being delivered to the Grantee and that no interest shall be paid with respect to funds held in such account. The proceeds may be paid in U.S. dollars or local currency at the Company's discretion. If the proceeds are paid in U.S. dollars, the Grantee understands that a U.S. dollar bank account in China must be established and maintained so that the proceeds may be deposited into such account. If the proceeds are paid in local currency, the Grantee acknowledges that the Company is under no obligation to secure any particular exchange conversion rate and that the Company may face delays in converting the proceeds to local currency due to exchange control restrictions. The Grantee agrees to bear any currency fluctuation risk between the time the shares of Stock are sold and the net proceeds are converted into local currency and distributed to the Grantee. The Grantee further agrees to comply with any other requirements that may be imposed by the Company or its Subsidiaries in China in the future to facilitate compliance with exchange control requirements in China. The Grantee acknowledges and agrees that the processes and requirements set forth herein shall continue to apply following the Grantee's termination of employment.

Sale of Shares of Stock Upon Termination. Notwithstanding anything to the contrary in the Plan or the Agreement, in the event of the Grantee's termination of employment for any reason, the Grantee will be required to sell all shares of Stock issued pursuant to the Plan no later than 90 days after the Grantee's employment termination date (or such other period as may be required by the SAFE or the Company) (the "Mandatory Sale Date"), and repatriate the sales proceeds to China in the manner designated by the Company. The Grantee understands that any shares of Stock the Grantee holds under the Plan that have not been sold by the Mandatory Sale Date will automatically be sold by the Company's designated broker at the Company's direction (on the Grantee's behalf pursuant to this authorization without further consent).

Administration. Neither the Company nor any of its Subsidiaries shall be liable for any costs, fees, lost interest or dividends or other losses the Grantee may incur or suffer resulting from the enforcement of the terms of this Appendix A or otherwise from the Company's operation and enforcement of the Plan, the Agreement and the RSU Award in accordance with Chinese law including, without limitation, any applicable SAFE rules, regulations and requirements.] **GERMANY**

Notifications

Exchange Control Notification. Cross-border payments in excess of EUR 12,500 must be reported to the German Federal Bank. All reports must be filed electronically. The electronic "General Statistics Reporting Portal" (Allgemeines Meldeportal Statistik) can be accessed on the German Federal Bank's website: www.bundesbank.de.

In the event that the Grantee makes or receives a payment in excess of this amount, the Grantee is responsible for complying with applicable reporting requirements.

GREECE

There are no country-specific provisions.

INDIA

Notifications

Repatriation. The Grantee understands that he or she must repatriate to India dividends and the proceeds from the sale of shares of Stock acquired at vesting within the time

frame prescribed under applicable law. The Grantee must obtain evidence of the repatriation of funds in the form of a foreign inward remittance certificate ("FIRC") from the bank where he/she deposited the foreign currency. The Grantee must retain the FIRC in his/her records to present to the Reserve Bank of India or the Employer in the event that proof of repatriation is requested.

MEXICO

Terms and Conditions

Nature of Grant. This provision supplements Section 3 ("Nature of Grant") of the Agreement:

By accepting the RSU Award, the Grantee understands and agrees that any modification of the Plan or the Agreement or its termination shall not constitute a change or impairment of the terms and conditions of employment.

Policy Statement. The invitation the Company is making under the Plan is unilateral and discretionary and, therefore, the Company reserves the absolute right to amend it and discontinue it at any time without any liability.

The Company, with registered offices at 22 Sylvan Way, Parsippany, New Jersey, 07054, U.S.A., is solely responsible for the administration of the Plan and participation in the Plan and, in the Grantee's case, the acquisition of shares of Stock does not, in any way, establish an employment relationship between the Grantee and the Company since the Grantee is participating in the Plan on a wholly commercial basis and the sole employer is Resort Condominiums International de México, S. de R.L. de C.V., a Mexican company, located at Horacio No. 1855-P.H., Col. Los Morales-Polanco, 11510 Mexico City, Mexico, as applicable, nor does it establish any rights between the Grantee and the Employer.

Plan Document Acknowledgment. By accepting the RSU Award, the Grantee acknowledges that the Grantee has received a copy of the Plan, has reviewed the Plan and the Agreement in their entirety and fully understands and accepts all provisions of the Plan and the Agreement.

In addition, the Grantee further acknowledges that the Grantee has read and specifically and expressly approves the terms and conditions in the Agreement, in which the following is clearly described and established: (i) participation in the Plan does not constitute an acquired right; (ii) the Plan and participation in the Plan is offered by the Company on a wholly discretionary basis; and (iii) participation in the Plan is voluntary.

Finally, the Grantee hereby declares that the Grantee does not reserve any action or right to bring any claim against the Company for any compensation or damages as a result of participation in the Plan and therefore grant a full and broad release to the Employer and the Company and its Affiliates with respect to any claim that may arise under the Plan.

Spanish Translation

Reconocimiento de la Ley Laboral. Estas disposiciones complementan la sección del Acuerdo titulada «Nature of Grant » :

Por medio de la aceptación de la Concesión, Ud. manifiesta que Ud. entiende y acuerda que cualquier modificación del Plan o su terminación no constituye un cambio o desmejora en los términos y condiciones de empleo.

Declaración de Política. La invitación por parte de la Compañía bajo el Plan es unilateral y discrecional y, por lo tanto, la Compañía se reserva el derecho absoluto de modificar y discontinuar el mismo en cualquier momento, sin ninguna responsabilidad.

La Compañía, con oficinas registradas ubicadas en Twenty-Two Sylvan Way, Parsippany, New Jersey, 07054 EE.UU., es la única responsable por la administración del Plan y de la participación en el mismo y, la adquisición de Acciones no establece de forma alguna, una relación de trabajo entre Ud. y la Compañía, ya que la participación en el Plan por su parte es completamente comercial y el único patrón es Resort Condominiums International de México, S. de R.L. de C.V., a Mexican company, located at Horacio No. 1855-P.H., Col. Los Morales-Polanco, 11510 Mexico City, Mexico, en caso de ser aplicable, así como tampoco establece ningún derecho entre Ud. y el patrón.

Reconocimiento del Plan de Documentos. Por medio de la aceptación de la Concesión, Ud. reconoce que Ud. ha recibido copias del Plan, que el mismo ha sido revisado al igual que la totalidad del Acuerdo y, que Ud. entiende y acepta las disposiciones contenidas en el Plan y en el Acuerdo.

Adicionalmente, al firmar el Acuerdo, Ud. reconoce que Ud. ha leído, y que aprueba específica y expresamente los términos y condiciones contenidos en el Acuerdo, en lo cual se encuentra claramente descrito y establecido lo siguiente: (i) la participación en el Plan no constituye un derecho adquirido; (ii) el Plan y la participación en el mismo es ofrecida por la Compañía de forma enteramente discrecional; (iii) la participación en el Plan es voluntaria; y (iv) la Compañía, así como sus Affiliates no son responsables por cualquier detrimento en el valor de las Acciones en relación con la Concesión.

Finalmente, por medio de la presente Ud. declara que no se reserva ninguna acción o derecho para interponer una demanda en contra de la Compañía por compensación, daño o perjuicio alguno como resultado de la participación en el Plan y en consecuencia, otorga el más amplio finiquito a su patrón, así como a la Compañía, a sus Affiliates con respecto a cualquier demanda que pudiera originarse en virtud del Plan.

NETHERLANDS

Terms and Conditions

Exclusion of Claim. The Grantee acknowledges and agrees that the Grantee will have no entitlement to compensation or damages insofar as such entitlement arises or may arise from the Grantee ceasing to have rights under or to be entitled to the RSU Award, whether or not as a result of the termination of employment with the Company or its Subsidiaries or Affiliates for any reason whatsoever (whether the termination is in breach of contract or otherwise), or from the loss or diminution in value of the RSU Award. Upon the grant of the RSU Award, the Grantee shall be deemed irrevocably to have waived any such entitlement.

SINGAPORE

Terms and Conditions

Settlement of RSU Award. This provision supplements Section 2 of the Agreement:

Notwithstanding Section 2 of the Agreement, the RSU Award does not provide any right for the Grantee to receive a cash payment and the RSU Award will be settled only in shares of Stock.

Restrictions on Sale and Transferability. The Grantee hereby agrees that any shares of Stock acquired pursuant to the RSU Award will not be offered for sale in Singapore prior to the sixmonth anniversary of the date the RSU Award is granted, unless such sale or offer is made pursuant to the exemptions under Part XIII Division 1 Subdivision (4) (other than section 280) of the Securities and Futures Act (Chap. 289, 2006 Ed.) ("SFA") or pursuant to, and in accordance with the condition of, any other applicable provision

of the SFA.

Notifications

Securities Law Notification. The grant of the RSU Award is being made pursuant to the "Qualifying Person" exemption under section 273(1)(f) of the SFA and is not made to the Grantee with a view to the RSU Award or underlying shares of Stock being subsequently offered for sale to any other party. The Plan has not been lodged or registered as a prospectus with the Monetary Authority of Singapore.

Chief Executive Officer and Director Reporting Notification. If the Grantee is the Chief Executive Officer ("CEO") or a director (including an alternate, substitute or shadow director) of a Singapore Subsidiary, the Grantee is subject to certain notification requirements under the Singapore Companies Act. Among these requirements is an obligation to notify the Singapore company in writing within two (2) business days after the following events: (1) the Grantee receives an interest (e.g., RSUs, shares of Stock) in the Company or any related companies; (2) any change in a previously-disclosed interest (e.g., the sale of shares of Stock); or
(3) becoming the CEO or a director.

SOUTH AFRICA

Notifications

Securities Law; Acceptance of the Restricted Stock Units. Neither the RSU Award nor the underlying shares of Stock shall be publicly offered or listed on any stock exchange in South Africa. The offer is intended to be private pursuant to Section 96 of the Companies Act and is not subject to the supervision of any South African governmental authority.

The offer of the RSU Award must be finalized on or before the 180th day following the date the RSU Award is granted. If the Grantee has not accepted or declined the RSU Award on or before the 180th day following the date the RSU Award was granted, the Grantee will be deemed to accept the RSU Award on such date.

SWITZERLAND

Notifications

Securities Law Notification. The RSU Award is not intended to be publicly offered in or from Switzerland. Because the offer of the RSU Award is considered a private offering, it is not subject to registration in Switzerland. Neither this document nor any other materials relating to the RSU Award or the Plan (i) constitute a prospectus as such term is understood pursuant to article 652a of the Swiss Code of Obligations, (ii) may be publicly distributed nor otherwise made publicly available in Switzerland, or (iii) have been or will be filed with, approved or supervised by any Swiss regulatory authority, including the Swiss Financial Market Supervisory Authority (FINMA).

UNITED ARAB EMIRATES

Notifications

Securities Law Notification. The Plan is being offered only to qualified employees and is in the nature of providing equity incentives to employees of the Company's Subsidiary in the United Arab Emirates ("UAE"). Any documents related to the Plan, including the Plan, Plan prospectus, the Agreement and other grant documents ("Plan Documents"), are intended for distribution only to such employees and must not be delivered to, or relied on by, any other person. Prospective purchasers of the securities offered should conduct their own due diligence on the securities. If the Grantee does not understand the contents of the Plan Documents, he or she should consult an authorized financial adviser.

The relevant securities authorities have no responsibility for reviewing or verifying any Plan Documents. Neither the UAE securities nor financial/economic authorities have approved the Plan Documents, nor taken steps to verify the information set out in them, and thus, are not responsible for their content.

The securities to which this summary relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the securities offered should conduct their own due diligence on the securities.

UNITED KINGDOM

Terms and Conditions

Withholding. The paragraph below supplements Section 6 of the Agreement:

Without limitation to Section 6 of the Agreement, the Grantee hereby agrees that he or she is liable for all Tax-Related Items and hereby covenants to pay all such Tax-Related Items, as and when requested by the Company or (if different) the Employer or by Her Majesty's Revenue & Customs ("HRMC") (or any other tax authority or any other relevant authority). The Grantee also hereby agrees to indemnify and keep indemnified the Company and (if different) the Employer against any Tax-Related Items that they are required to pay or withhold or have paid or will pay on the Grantee's behalf to HMRC (or any other tax authority or any other relevant authority).

Notwithstanding the foregoing, if the Grantee is a director or executive officer (as within the meaning of Section 13(k) of the U.S. Securities Exchange Act of 1934, as amended), the terms of the immediately foregoing provision will not apply. In the event that the Grantee is a director or executive officer and income tax due is not collected from or paid by the Grantee within 90 days after the U.K. tax year in which an event giving rise to the indemnification described above occurs, the amount of any uncollected tax may constitute a benefit to the Grantee on which additional income tax and national insurance contributions may be payable. The Grantee acknowledges that the Grantee ultimately will be responsible for reporting and paying any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for reimbursing the Corporation or the Employer (as applicable) for the value of any employee national insurance contributions due on this additional benefit, which the Company and/or the Employer may recover from the Grantee at any time thereafter by any of the means referred to in Section 6 of this Agreement.

Exclusion of Claim. The Grantee acknowledges and agrees that the Grantee will have no entitlement to compensation or damages insofar as such entitlement arises or may arise from the Grantee ceasing to have rights under or to be entitled to the RSU Award, whether or not as a result of the termination of employment with the Company or its Subsidiaries or Affiliates for any reason whatsoever (whether the termination is in breach of contract or otherwise), or from the loss or diminution in value of the RSU Award. Upon the grant of the RSU Award, the Grantee shall be deemed irrevocably to have waived any such entitlement.

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WYNDHAM DESTINATIONS, INC.
2006 EQUITY AND INCENTIVE PLAN,
AS AMENDED AND RESTATED

AWARD AGREEMENT –
NON-QUALIFIED STOCK OPTIONS

This Award Agreement (this "Agreement"), dated as of _____, is by and between Wyndham Destinations, Inc., a Delaware corporation (the "Company"), and you (the "Grantee"), pursuant to the terms and conditions of the Wyndham Destinations, Inc. (formerly known as Wyndham Worldwide Corporation) 2006 Equity and Incentive Plan, as amended and restated (the "Plan").

In consideration of the provisions contained in this Agreement, the Company and the Grantee agree as follows:

1. The Plan. The Option Award (as defined below) granted to the Grantee hereunder is made pursuant to the Plan. A copy of the Plan and a prospectus for the Plan are available at the Grantee's portal page on Benefits Online available at www.benefits.ml.com (the "Portal Page"), and the terms of the Plan are hereby incorporated in this Agreement as fully as though actually set forth herein. Terms used in this Agreement which are not defined in this Agreement shall have the meanings used or defined in the Plan.

2. Option Award. Concurrently with the execution of this Agreement, subject to the terms and conditions set forth in the Plan and this Agreement, the Company hereby grants the non-qualified stock options to purchase shares of Stock ("Options") described on the Portal Page (the "Option Award") to the Grantee, with an "Exercise Price Per Option" as indicated on the Portal Page. The Option Award has been granted as of the date hereof and shall terminate on the expiration date specified on the Portal Page (the "Expiration Date"), subject to earlier termination as provided herein and in the Plan. Upon the termination or expiration of the Option Award, all rights of the Grantee in respect of the Option Award made hereunder shall cease. Subject to the provisions of the Plan and this Agreement, the Option Award shall vest in accordance with the schedule described in Paragraph 3 below.

3. Vesting. The Option Award shall vest in accordance with the following schedule, subject to the Grantee's continuous employment with the Company or one of its Subsidiaries through each applicable vesting date:

Vesting Date	Shares Vesting

Upon (a) a Change in Control occurring during the Grantee's continuous employment with the Company or one of its Subsidiaries, (b) the Grantee's termination of employment with the Company and its Subsidiaries by reason of the Grantee's death or Disability (as defined in Code Section 409A), or (c) if applicable, such other event as set forth in the Grantee's written agreement of employment with the Company or one of its Subsidiaries, the Option Award shall become immediately and fully vested, subject to any terms and conditions set forth in the Plan and/or imposed by the Committee.

4. Manner of Exercise. The Grantee may exercise the Option Award (or any portion thereof), to the extent vested and exercisable, solely by submitting to the Company a notice of exercise in a form designated by the Company, specifying the exercise date and the number of shares of Stock to be purchased pursuant to such exercise, and with such exercise conducted otherwise in accordance with Section 6(b)(i) of the Plan and subject to Paragraph 8 below.

5. Termination of Employment. Notwithstanding any other provision of the Plan to the contrary and, if applicable, subject to the Grantee's written agreement of employment with the Company or one of its Subsidiaries, upon the termination of the Grantee's employment with the Company and its Subsidiaries for any reason whatsoever (other than the Grantee's death or Disability), the Option Award, to the extent not yet vested, shall immediately and automatically terminate. Further, upon the termination of the Grantee's employment with the Company and its Subsidiaries for any reason, and if applicable, subject to the Grantee's written agreement of employment with the Company or one of its Subsidiaries, the Grantee shall have the right to exercise the Option Award, to the extent vested, for a period of one year immediately following such termination of employment (but in no event beyond the Expiration Date), and after such period, the Option Award shall immediately and automatically terminate without notice to the Grantee.

6. Award Provisions. The Option Award may only be exercised in accordance with the terms of the Plan and the administrative procedures established by the Company and/or the Committee from time to time and may be exercised at such times permitted by the Company in its sole discretion. The Option Award is subject to adjustment in the event of certain changes in the capitalization of the Company, to the extent set forth in the Plan.

7. No Rights to Continued Employment. Neither this Agreement nor the Option Award shall be construed as giving the Grantee any right to continue in the employ of the Company or any of its Subsidiaries or interfere in any way with the right of the Company or any of its Subsidiaries to terminate such employment. Notwithstanding any other provision of the Plan, the Option Award, this Agreement or any other agreement (written or oral) to the contrary, (a) for purposes of the Plan and the Option Award, a termination of employment shall be deemed to have occurred on the date upon which the Grantee ceases to perform active employment duties for the Company and its Subsidiaries, without regard to any period of notice of termination of employment (whether expressed or implied) or any period of severance or salary continuation; and (b) the Grantee shall not be entitled (and by accepting the Option Award, automatically and irrevocably waives any such entitlement), by way of compensation for loss of office or otherwise, to any sum or other benefit to compensate the Grantee for the loss of any rights under the Plan as a result of the termination or expiration of the Option Award in connection with any termination of employment. No amounts earned pursuant to the Plan or any Award made under the Plan, including the Option Award, shall be deemed to be eligible compensation in respect of any other plan of the Company or any of its Subsidiaries.

8. Tax Obligations. As a condition to the granting of the Option Award and the exercise thereof, the Grantee agrees to remit to the Company or any of its applicable Subsidiaries such sum as may be necessary to discharge the Company's or such Subsidiary's obligations with respect to any tax, assessment or other governmental charge imposed on property or income received by the Grantee pursuant to this Agreement and the Option Award by having the Company automatically withhold upon any exercise of this Option Award a sufficient number of shares of Stock to be acquired upon such exercise so as to satisfy any such obligations.

9. Clawback. The Option Award and any shares of Stock delivered pursuant to the Option Award are subject to forfeiture, recovery by the Company or other action pursuant to any applicable clawback or recoupment policy which the Company may adopt from time to time, including without limitation any such policy which the Company may be required to adopt under the Dodd-Frank Wall Street Reform and Consumer Protection Act and implementing rules and regulations thereunder, or as

otherwise required by law.

10. **No Advice Regarding Grant.** The Company and its Subsidiaries are not providing any tax, legal or financial advice, nor are the Company and its Subsidiaries making any recommendations regarding the Grantee's participation in the Plan, or the Grantee's acquisition or sale of the underlying shares of Stock. The Grantee is hereby advised to consult with the Grantee's own personal tax, legal and financial advisors regarding the Grantee's participation in the Plan before taking any action related to the Plan.

11. **Failure to Enforce Not a Waiver.** The failure of the Company to enforce at any time any provision of this Agreement shall in no way be construed to be a waiver of such provision or of any other provision hereof.

12. **Authority.** The Committee shall have full authority to interpret and construe the terms of the Plan and this Agreement. The determination of the Committee as to any such matter of interpretation or construction shall be final, binding and conclusive on all parties.

13. **Rights as a Stockholder.** The Grantee shall have no rights as a stockholder of the Company with respect to any shares of Stock underlying or relating to the Option Award until the issuance of Stock to the Grantee in respect of such Option Award.

14. **Code Section 409A.** Although the Company does not guarantee to the Grantee any particular tax treatment relating to the Option Award, it is intended that the Option Award be exempt from Code Section 409A, and this Agreement shall be construed in a manner consistent with the requirements for avoiding taxes or penalties under Code Section 409A. Notwithstanding anything herein to the contrary, in no event whatsoever shall the Company or any of its affiliates be liable for any additional tax, interest or penalties that may be imposed on the Grantee by Code Section 409A or any damages for failing to comply with Code Section 409A.

15. **Blackout Periods.** The Grantee acknowledges that, from time to time, as determined by the Company in its sole discretion, the Company may establish "blackout periods" during which this Option Award may not be exercised. The Company may establish a blackout period for any reason or for no reason.

16. **Succession and Transfer.** Each and all of the provisions of this Agreement are binding upon and inure to the benefit of the Company and the Grantee and their respective estate, successors and assigns, subject to any limitations on transferability under applicable law or as set forth in the Plan or herein.

17. **Electronic Delivery and Acceptance.** The Company may, in its sole discretion, elect to deliver any documents related to current or future participation in the Plan by electronic means. The Grantee hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

18. **No Assignment; Nontransferability.** This Agreement (and the Option Award) may not be assigned by the Grantee by operation of law or otherwise. In the event of the Grantee's termination of employment by reason of death, the Option Award and any Awards previously granted to the Grantee under the Plan shall not be transferable except by will or the laws of descent and distribution.

19. **Notices.** Any notice required or permitted under this Agreement shall be deemed given when delivered personally, or when deposited in a United States Post Office, postage prepaid, addressed, as appropriate, to (a) the Grantee at the last address specified in Grantee's employment records and (b) the Company, Attention: General Counsel, or such other address as the Company may designate in writing to the Grantee.

20. **Amendments.** This Agreement may be amended or modified at any time by an instrument in writing signed by the parties to this Agreement.

21. **Severability.** The provisions of this Agreement are severable, and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

22. **Governing Law.** This Agreement and the legal relations between the parties shall be governed by and construed in accordance with the internal laws of the State of Delaware, without effect to the conflicts of laws principles thereof. For purposes of litigating any dispute that arises under the Option Award or this Agreement, the parties hereby submit to and consent to the exclusive jurisdiction of the State of New Jersey where this grant is made and/or to be performed, and agree that such litigation shall be conducted in the federal courts for the United States for the District of New Jersey or if jurisdiction does not exist in such federal court, the state courts in Morris County, New Jersey.

***

IN WITNESS WHEREOF, this Agreement is effective as of the date first above written.

WYNDHAM DESTINATIONS, INC.

_____
Signature of Participant

_____ Authorized Signature Wyndham Destinations, Inc.

Exhibit 10.55

WYNDHAM DESTINATIONS, INC.
2006 EQUITY AND INCENTIVE PLAN, AS AMENDED AND RESTATED

AWARD AGREEMENT – RESTRICTED STOCK UNITS (NON-EMPLOYEE DIRECTOR)

This Award Agreement (this "Agreement"), dated as of _____, is by and between Wyndham Destinations, Inc., a Delaware corporation (the "Company"), and you (the "Grantee"), pursuant to the terms and conditions of the Wyndham Destinations, Inc. (formerly known as Wyndham Worldwide Corporation) 2006 Equity and Incentive Plan, as amended and restated (the "Plan").

In consideration of the provisions contained in this Agreement, the Company and the Grantee agree as follows:

1. The Plan. The RSU Award (as defined below) granted to the Grantee hereunder is made pursuant to the Plan. A copy of the Plan and a prospectus for the Plan are available at the Grantee's portal page on Benefits Online available at www.benefits.ml.com (the "Portal Page"), and the terms of the Plan are hereby incorporated in this Agreement as fully as though actually set forth herein. Terms used in this Agreement which are not defined in this Agreement shall have the meanings used or defined in the Plan.

2. RSU Award. Concurrently with the execution of this Agreement, subject to the terms and conditions set forth in the Plan and this Agreement, the Company hereby grants the RSUs described on the Portal Page (the "RSU Award") to the Grantee. Upon the vesting of the RSU Award, as described in Paragraph 3 below, the Company shall deliver, no later than March 15 of the calendar year following the calendar year in which all or portion of the RSU Award vests, for each RSU that vests, one share of Stock, subject to Paragraph 6 below.

3. Vesting. The RSU Award shall vest in accordance with the following schedule, subject to the Grantee's continuous service as a member of the Board through each applicable vesting date:

Vesting Date	Vesting RSUs

Upon (a) a Change in Control occurring during the Grantee's continuous service as a member of the Board, (b) the termination of the Grantee's continuous service as a member of the Board by reason of the Grantee's death or Disability (as defined in Code Section 409A), or (c) if applicable, such other event as set forth in the Grantee's written agreement of service with the Company, the RSU Award shall become immediately and fully vested, subject to any terms and conditions set forth in the Plan and/or imposed by the Committee.

4. Termination of Service. Notwithstanding any other provision of the Plan to the contrary and, if applicable, subject to the Grantee's written agreement of service with the Company, upon the termination of the Grantee's continuous service as a member of the Board for any reason whatsoever (other than the Grantee's death or Disability), the RSU Award, to the extent not yet vested, shall immediately and automatically terminate.

5. No Rights to Continued Service. Neither this Agreement nor the RSU Award shall be construed as giving the Grantee any right to continue serving as a member of the Board or interfere in any way with the right of the Company to terminate such service. Notwithstanding any other provision of the Plan, the RSU Award, this Agreement or any other agreement (written or oral) to the contrary, (a) for purposes of the Plan and the RSU Award, a termination of service shall be deemed to have occurred on the date upon which the Grantee ceases to serve on the Board, without regard to any period of notice of termination of service (whether expressed or implied) or any period of termination pay or compensation continuation; and (b) the Grantee shall not be entitled (and by accepting the RSU Award, automatically and irrevocably waives any such entitlement), by way of compensation for loss of office or otherwise, to any sum or other benefit to compensate the Grantee for the loss of any rights under the Plan as a result of the termination or expiration of the RSU Award in connection with any termination of service. No amounts earned

pursuant to the Plan or any Award made under the Plan, including the RSU Award, shall be deemed to be eligible compensation in respect of any other plan of the Company or any of its Subsidiaries.

6. Tax Obligations. The Grantee agrees and acknowledges that the Company shall have the power and the right to deduct or withhold, or require the Grantee to remit to the Company, an amount sufficient to satisfy any federal, state, local and foreign taxes of any kind (including, but not limited to, the Grantee's FICA and SDI obligations) which the Company, in its sole discretion, deems necessary to be withheld or remitted to comply with the Code and/or any other applicable law, rule or regulation with respect to the RSUs, and if the withholding requirement cannot be satisfied, the Company may otherwise refuse to issue or transfer any shares of Stock otherwise required to be issued pursuant to this Agreement. Notwithstanding any action the Company takes with respect to any or all income tax, social insurance, payroll tax, or other tax-related withholding ("Tax-Related Items"), the ultimate liability for all TaxRelated Items is and remains the Grantee's responsibility, and the Company (a) makes no representation or undertakings regarding the treatment of any Tax-Related Items in connection with the grant or vesting of the RSUs or the subsequent sale of any shares and (b) does not commit to structure the RSUs to reduce or eliminate the Grantee's liability for Tax-Related Items.

7. Clawback. The RSU Award and any shares of Stock delivered pursuant to the RSU Award are subject to forfeiture, recovery by the Company or other action pursuant to any applicable clawback or recoupment policy which the Company may adopt from time to time, including without limitation any such policy which the Company may be required to adopt under the Dodd-Frank Wall Street Reform and Consumer Protection Act and implementing rules and regulations thereunder, or as otherwise required by law.

8. No Advice Regarding Grant. The Company and its Subsidiaries are not providing any tax, legal or financial advice, nor are the Company and its Subsidiaries making any recommendations regarding the Grantee's participation in the Plan, or the Grantee's acquisition or sale of the underlying shares of Stock. The Grantee is hereby advised to consult with the Grantee's own personal tax, legal and financial advisors regarding the Grantee's participation in the Plan before taking any action related to the Plan.

9. Failure to Enforce Not a Waiver. The failure of the Company to enforce at any time any provision of this Agreement shall in no way be construed to be a waiver of such provision or of any other provision hereof.

10. Authority. The Committee shall have full authority to interpret and construe the terms of the Plan and this Agreement. The determination of the Committee as to any such matter of interpretation or construction shall be final, binding and conclusive on all parties.

11. Rights as a Stockholder. The Grantee shall have no rights as a stockholder of the Company with respect to any shares of Stock underlying or relating to the RSU Award until the issuance of shares of Stock to the Grantee in respect of the RSU Award; provided, however, that in the event the Board shall declare a dividend on the Stock, a dividend equivalent equal to the per share amount of such dividend shall be credited on all RSUs underlying the RSU Award and outstanding on the record date for such dividend, such dividend equivalents to be payable in cash without interest on the vesting date of the RSUs on which the dividend equivalents were credited and shall otherwise be subject to the same terms and conditions as the RSUs on which the dividend equivalents were credited.

12. Code Section 409A. Although the Company does not guarantee to the Grantee any particular tax treatment relating to the RSU Award, it is intended that the RSU Award be exempt from Code Section 409A, and this Agreement shall be construed in a manner consistent with the requirements for avoiding taxes or penalties under Code Section 409A. Notwithstanding anything herein to the contrary, in no event whatsoever shall the Company or any of its affiliates be liable for any additional tax, interest or penalties that may be imposed on the Grantee by Code Section 409A or any damages for failing to comply with Code Section 409A.

13. Succession and Transfer. Each and all of the provisions of this Agreement are binding upon and inure to the benefit of the Company and the Grantee and their respective estate, successors and assigns, subject to any limitations on transferability under applicable law or as set forth in the Plan or herein.

14. Electronic Delivery and Acceptance. The Company may, in its sole discretion, elect to deliver any documents related to current or future participation in the Plan by electronic means. The Grantee hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

15. No Assignment; Nontransferability. This Agreement (and the RSU Award) may not be assigned by the Grantee by operation of law or otherwise. In the event of the Grantee's termination of service by reason of death, the RSU Award and any Awards previously granted to the Grantee under the Plan shall not be transferable except by will or the laws of descent and distribution.

16. Notices. Any notice required or permitted under this Agreement shall be deemed given when delivered personally, or when deposited in a United States Post Office, postage prepaid, addressed, as appropriate, to (a) the Grantee at the last address specified in Grantee's service records and (b) the Company, Attention: General Counsel, or such other address as the Company may designate in writing to the Grantee.

17. Amendments. This Agreement may be amended or modified at any time by an instrument in writing signed by the parties to this Agreement.

18. Severability. The provisions of this Agreement are severable, and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

19. Governing Law. This Agreement and the legal relations between the parties shall be governed by and construed in accordance with the internal laws of the State of Delaware, without effect to the conflicts of laws principles thereof. For purposes of litigating any dispute that arises under the RSU Award or this Agreement, the parties hereby submit to and consent to the exclusive jurisdiction of the State of New Jersey where this grant is made and/or to be performed, and agree that such litigation shall be conducted in the federal courts for the United States for the District of New Jersey, or if jurisdiction does not exist in such federal court, the state courts in Morris County, New Jersey.

***

IN WITNESS WHEREOF, this Agreement is effective as of the date first above written.

WYNDHAM DESTINATIONS, INC.

_____
Signature of Participant

_____ Authorized Signature Wyndham Destinations, Inc.

Exhibit 10.56

WYNDHAM WORLDWIDE CORPORATION
2006 EQUITY AND INCENTIVE PLAN, AS AMENDED AND RESTATED

AWARD AGREEMENT – RESTRICTED STOCK UNITS

This Award Agreement (this "Agreement"), dated as of _____, is by and between Wyndham Worldwide Corporation, a Delaware corporation (the "Company"), and you (the "Grantee"), pursuant to the terms and conditions of the Wyndham Worldwide Corporation 2006 Equity and Incentive Plan, as amended and restated (the "Plan").

In consideration of the provisions contained in this Agreement, the Company and the Grantee agree as follows:

1. The Plan. The RSU Award (as defined below) granted to the Grantee hereunder is made pursuant to the Plan. A copy of the Plan and a prospectus for the Plan are available at the Grantee's portal page on Benefits Online available at www.benefits.ml.com (the "Portal Page"), and the terms of the Plan are hereby incorporated in this Agreement as fully as though actually set forth herein. Terms used in this Agreement which are not defined in this Agreement shall have the meanings used or defined in the Plan.

2. RSU Award. Concurrently with the execution of this Agreement, subject to the terms and conditions set forth in the Plan and this Agreement, the Company hereby grants the RSUs described on the Portal Page (the "RSU Award") to the Grantee. Upon the vesting of the RSU Award, as described in Paragraph 3 below, the Company shall deliver, no later than March 15 of the calendar year following the calendar year in which all or portion of the RSU Award vests, for each RSU that vests, one share of Stock, subject to Paragraph 6 below.

3. Vesting. The RSU Award shall vest in accordance with the following schedule, subject to the Grantee's continuous employment with the Company or one of its Subsidiaries through each applicable vesting date:

Vesting Date	Vesting RSUs

Upon (a) a Change in Control occurring during the Grantee's continuous employment with the Company or one of its Subsidiaries, (b) the Grantee's termination of employment with the Company and its Subsidiaries by reason of the Grantee's death or Disability (as defined in Code Section 409A), or (c) if applicable, such other event as set forth in the Grantee's written agreement of employment with the Company or one of its Subsidiaries, the RSU Award shall become immediately and fully vested, subject to any terms and conditions set forth in the Plan and/or imposed by the Committee.

4. Termination of Employment. Notwithstanding any other provision of the Plan to the contrary and, if applicable, subject to the Grantee's written agreement of employment with the Company or one of its Subsidiaries, upon the termination of the Grantee's employment with the Company and its Subsidiaries for any reason whatsoever (other than the Grantee's death or Disability), the RSU Award, to the extent not yet vested, shall immediately and automatically terminate.

5. No Rights to Continued Employment. Neither this Agreement nor the RSU Award shall be construed as giving the Grantee any right to continue in the employ of the Company or any of its Subsidiaries or interfere in any way with the right of the Company or any of its Subsidiaries to terminate such employment. Notwithstanding any other provision of the Plan, the RSU Award, this Agreement or any other agreement (written or oral) to the contrary, (a) for purposes of the Plan and the RSU Award, a termination of employment shall be deemed to have occurred on the date upon which the Grantee ceases to perform active employment duties for the Company and its Subsidiaries, without regard to any period of notice of termination of employment (whether expressed or implied) or any period of severance or salary continuation; and (b) the Grantee shall not be entitled (and by accepting the RSU Award, automatically and irrevocably waives any such entitlement), by way of compensation for loss of office or otherwise, to any sum or other benefit to compensate the Grantee for the loss of any rights under the Plan as a result of the termination or expiration of the RSU Award in connection with any termination of employment. No amounts earned pursuant to the Plan or any Award made under the Plan, including the RSU Award, shall be deemed to be eligible compensation in respect of any other plan of the Company or any of its Subsidiaries.

6. Tax Obligations. As a condition to the granting of the RSU Award and the vesting thereof, the Grantee agrees to remit to the Company or any of its applicable Subsidiaries such sum as may be necessary to discharge the Company's or such Subsidiary's obligations with respect to any tax, assessment or other governmental charge imposed on property or income received by the Grantee pursuant to this Agreement and the RSU Award by having the Company automatically withhold upon any vesting of this RSU Award a sufficient number of the shares of Stock issuable upon such vesting so as to satisfy any such obligations.

7. Clawback. The RSU Award and any shares of Stock delivered pursuant to the RSU Award are subject to forfeiture, recovery by the Company or other action pursuant to any applicable clawback or recoupment policy which the Company may adopt from time to time, including without limitation any such policy which the Company may be required to adopt under the Dodd-Frank Wall Street Reform and Consumer Protection Act and implementing rules and regulations thereunder, or as otherwise required by law.

8. No Advice Regarding Grant. The Company and its Subsidiaries are not providing any tax, legal or financial advice, nor are the Company and its Subsidiaries making any recommendations regarding the Grantee's participation in the Plan, or the Grantee's acquisition or sale of the underlying shares of Stock. The Grantee is hereby advised to consult with the Grantee's own personal tax, legal and financial advisors regarding the Grantee's participation in the Plan before taking any action related to the Plan.

9. Failure to Enforce Not a Waiver. The failure of the Company to enforce at any time any provision of this Agreement shall in no way be construed to be a waiver of such provision or of any other provision hereof.

10. Authority. The Committee shall have full authority to interpret and construe the terms of the Plan and this Agreement. The determination of the Committee as to any such matter of interpretation or construction shall be final, binding and conclusive on all parties.

11. Rights as a Stockholder. The Grantee shall have no rights as a stockholder of the Company with respect to any shares of Stock underlying or relating to the RSU Award until the issuance of shares of Stock to the Grantee in respect of the RSU Award; provided, however, that in the event the Board shall declare a dividend on the Stock, a dividend equivalent equal to the per share amount of such dividend shall be credited on all RSUs underlying the RSU Award and outstanding on the record date for such dividend, such dividend equivalents to be payable in cash without interest on the vesting date of the RSUs on which the dividend equivalents were credited and shall otherwise be subject to the same terms and conditions as the RSUs on which the dividend equivalents were credited.

12. Code Section 409A. Although the Company does not guarantee to the Grantee any particular tax treatment relating to the RSU Award, it is intended that the RSU Award be

exempt from Code Section 409A, and this Agreement shall be construed in a manner consistent with the requirements for avoiding taxes or penalties under Code Section 409A. Notwithstanding anything herein to the contrary, in no event whatsoever shall the Company or any of its affiliates be liable for any additional tax, interest or penalties that may be imposed on the Grantee by Code Section 409A or any damages for failing to comply with Code Section 409A.

13. Succession and Transfer. Each and all of the provisions of this Agreement are binding upon and inure to the benefit of the Company and the Grantee and their respective estate, successors and assigns, subject to any limitations on transferability under applicable law or as set forth in the Plan or herein.

14. Electronic Delivery and Acceptance. The Company may, in its sole discretion, elect to deliver any documents related to current or future participation in the Plan by electronic means. The Grantee hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

15. No Assignment; Nontransferability. This Agreement (and the RSU Award) may not be assigned by the Grantee by operation of law or otherwise. In the event of the Grantee's termination of employment by reason of death, the RSU Award

and any Awards previously granted to the Grantee under the Plan shall not be transferable except by will or the laws of descent and distribution.

16. **Notices.** Any notice required or permitted under this Agreement shall be deemed given when delivered personally, or when deposited in a United States Post Office, postage prepaid, addressed, as appropriate, to (a) the Grantee at the last address specified in Grantee's employment records and (b) the Company, Attention: General Counsel, or such other address as the Company may designate in writing to the Grantee.

17. **Amendments.** This Agreement may be amended or modified at any time by an instrument in writing signed by the parties to this Agreement.

18. **Severability.** The provisions of this Agreement are severable, and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

19. **Governing Law.** This Agreement and the legal relations between the parties shall be governed by and construed in accordance with the internal laws of the State of Delaware, without effect to the conflicts of laws principles thereof. For purposes of litigating any dispute that arises under the RSU Award or this Agreement, the parties hereby submit to and consent to the exclusive jurisdiction of the State of New Jersey where this grant is made and/or to be performed, and agree that such litigation shall be conducted in the federal courts for the United States for the District of New Jersey, or if jurisdiction does not exist in such federal court, the state courts in Morris County, New Jersey.

***

IN WITNESS WHEREOF, this Agreement is effective as of the date first above written.

WYNDHAM DESTINATIONS, INC.

_____
Signature of Participant

_____ Authorized Signature Wyndham Destinations, Inc.

Exhibit 10.57

WYNDHAM WORLDWIDE CORPORATION
2006 EQUITY AND INCENTIVE PLAN, AS AMENDED AND RESTATED

AWARD AGREEMENT – RESTRICTED STOCK UNITS
(NON-US EMPLOYEE)

This Award Agreement (this "Agreement"), dated as of _____, is by and between Wyndham Worldwide Corporation, a Delaware corporation (the "Company"), and you (the "Grantee"), pursuant to the terms and conditions of the Wyndham Worldwide Corporation 2006 Equity and Incentive Plan, as amended and restated (the "Plan").

In consideration of the provisions contained in this Agreement, the Company and the Grantee agree as follows:

1. The Plan. The RSU Award (as defined below) granted to the Grantee hereunder is made pursuant to the Plan. A copy of the Plan and a prospectus for the Plan are available at the Grantee's portal page on Benefits Online available at www.benefits.ml.com (the "Portal Page"), and the terms of the Plan are hereby incorporated in this Agreement as fully as though actually set forth herein. Terms used in this Agreement which are not defined in this Agreement shall have the meanings used or defined in the Plan.

2. RSU Award. Concurrently with the execution of this Agreement, subject to the terms and conditions set forth in the Plan and this Agreement, the Company hereby grants the RSUs described on the Portal Page (the "RSU Award") to the Grantee. Upon the vesting of the RSU Award, as described in Paragraph 5 below, the Company shall deliver, no later than March 15 of the calendar year following the calendar year in which all or portion of the RSU Award vests, for each RSU that vests, one share of Stock, subject to Paragraph 6 below.

Notwithstanding the foregoing, the Company, in its sole discretion, may provide for the settlement of the RSUs in the form of: (a) a cash payment (in an amount equal to the Fair Market Value of the shares of Stock that correspond to the number of vested RSUs) to the extent that settlement in shares of Stock (i) is prohibited under local law, (ii) would require the Grantee, the Company or any of its Affiliates to obtain the approval of any governmental or regulatory body in the Grantee's country of residence (or country of employment, if different), (iii) would result in adverse tax consequences for the Grantee, the Company or any of its Affiliates, or (iv) is administratively burdensome; or (b) shares of Stock, but require the Grantee to sell such shares of Stock immediately or within a specified period following the Grantee's termination of employment (in which case, the Grantee hereby agrees that the Company shall have the authority to issue sale instructions in relation to such shares of Stock on the Grantee's behalf without further consent).

3. Nature of Grant. In accepting the RSU Award, the Grantee acknowledges that: (1) the Plan is established voluntarily by the Company, is discretionary in nature and may be modified, amended, suspended or terminated by the Company at any time; (2) the grant of the RSU Award is voluntary and occasional and does not create any contractual or other right to receive future awards under the Plan, or benefits in lieu of Awards under the Plan, even if Awards under the Plan have been granted repeatedly in the past; (3) all decisions with respect to future Awards, if any, will be at the sole discretion of the Company; (4) the Grantee's participation in the Plan shall not create a right to further employment with the Grantee's employer (the "Employer") and shall not interfere with the ability of the Employer to terminate the Grantee's employment relationship at any time, for any or no reason to the extent permitted under applicable law; (5) the Grantee is voluntarily participating in the Plan; (6) the RSU Award and the shares of Stock subject to the RSU Award are an extraordinary item that does not constitute compensation of any kind for services of any kind rendered to the Company or any of its Subsidiaries, including the Employer, and are outside the scope of the Grantee's employment contract, if any; (7) the RSU Award, the shares of Stock subject to the RSU Award and the income and value of same are not intended to replace any pension rights or compensation; (8) the RSU Award, the shares of Stock subject to the RSU Award and the income and value of same are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end of service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company, the Employer or any Subsidiary or Affiliate of the Company; (9) the RSU Award and the Grantee's participation in the Plan will not be interpreted to form an

employment contract or relationship with the Company or any Subsidiary or Affiliate; (10) the future value of the underlying shares of Stock is unknown and cannot be predicted with certainty; (11) in consideration of the grant of the RSU Award, no claim or entitlement to compensation or damages shall arise from forfeiture of the RSU Award resulting from termination of the Grantee's employment with the Company or any of its Subsidiaries, including the Employer, for any reason whatsoever and whether or not in breach of local labor laws (or later found invalid), and the Grantee irrevocably releases the Company and its Subsidiaries, including the Employer, from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, the Grantee shall be deemed irrevocably to have waived the Grantee's entitlement to pursue such claim; (12) in the event of termination of the Grantee's employment (whether or not in breach of local labor laws), the Grantee's right to vest in the RSU Award under the Plan, if any, will terminate effective as of the date that the Grantee is no longer actively employed and will not be extended by any notice period mandated under local law (e.g., active employment would not include a period of "garden leave" or similar period pursuant to local law); the Committee shall have the exclusive discretion to determine when the Grantee is no longer actively employed for purposes of the RSU Award (including whether the Grantee shall be considered actively employed while on a leave of absence); (13) the RSU Award and the benefits under the Plan, if any, do not create any entitlement not otherwise specifically provided for in the Plan or provided by the Company in its discretion, to have the RSU Award or any such benefits transferred to, or assumed by, another company, nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the shares of Stock; and (14) neither the Company nor any of its Affiliates shall be liable for any exchange rate fluctuation between the Grantee's local currency and the U.S. dollar that may affect the value of the RSU Award or any amounts due to the Grantee pursuant to the settlement of the RSU Award or the subsequent sale of any shares of Stock acquired upon settlement of the RSU Award.

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

5. Vesting. The RSU Award shall vest in accordance with the following schedule, subject to the Grantee's continuous employment with the Company or one of its Subsidiaries through each applicable vesting date:

Vesting Date	Vesting RSUs

Upon (a) a Change in Control occurring during the Grantee's continuous employment with the Company or one of its Subsidiaries, (b) the Grantee's termination of employment with the Company and its Subsidiaries by reason of the Grantee's death or Disability (as defined in Code Section 409A), or (c) if applicable, such other event as set forth in the Grantee's written agreement of employment with the Company or one of its Subsidiaries, the RSU Award shall become immediately and fully vested, subject to any terms and conditions set forth in the Plan and/or imposed by the Committee.

6. Tax Obligations. Regardless of any action the Company or the Employer takes with respect to any or all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to the Grantee's participation in the Plan and legally applicable to the Grantee ("Tax-Related Items"), the Grantee acknowledges that the ultimate liability for all Tax-Related Items is and remains the Grantee's responsibility and may exceed the amount actually withheld by the Company or the Employer, if any. The Grantee further acknowledges that the Company and the Employer (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the RSUs, including, but not limited to, the grant or vesting of the RSUs, the issuance of shares of Stock upon settlement of the RSUs, the subsequent sale of shares of Stock acquired pursuant to such issuance and the receipt of any dividends or dividend equivalents; and (b) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the RSUs to reduce or eliminate Grantee's liability for Tax-Related Items or achieve any particular tax result. Further, if Grantee has become subject to tax in more than one jurisdiction between the date of grant and the date of any relevant taxable or tax withholding event, as applicable, the Grantee acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required

to withhold or account for Tax-Related Items in more than one jurisdiction. Prior to any relevant taxable or tax withholding event, as applicable, the Grantee will pay or make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, the Grantee authorizes the Company and/or the Employer, or their respective agents, at their discretion, to satisfy the obligations with regard to all Tax-Related Items by one or a combination of the following: (i) withholding from the Grantee's wages or other cash compensation paid to the Grantee by the Company and/or the Employer; or (ii) withholding from the proceeds of the sale of shares of Stock acquired upon vesting/settlement of the RSU Award, either through a voluntary sale or through a mandatory sale arranged by the Company (on the Grantee's behalf pursuant to this authorization without further consent); or (iii) withholding the shares of Stock to be issued upon vesting/settlement of the RSU Award.

To avoid negative accounting treatment, the Company may withhold or account for TaxRelated Items by considering applicable minimum statutory withholding amounts (as determined by the Company in good faith and in its sole discretion) or other applicable withholding rates, including maximum applicable rates. If the obligation for Tax-Related Items is satisfied by withholding in shares of Stock, for tax purposes, the Grantee is deemed to have been issued the full number of shares of Stock subject to the vested RSUs, notwithstanding that a number of the shares of Stock are held back solely for the purpose of paying the Tax-Related Items due as a result of any aspect of the Grantee's participation in the Plan.

Finally, Grantee shall pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of the Grantee's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the shares of Stock or the proceeds of the sale of shares of Stock, if the Grantee fails to comply with the Grantee's obligations in connection with the Tax-Related Items.

7. Clawback. The RSU Award and any compensation paid or shares of Stock delivered pursuant to the RSU Award are subject to forfeiture, recovery by the Company or other action pursuant to any applicable clawback or recoupment policy which the Company may adopt from time to time, including without limitation any such policy which the Company may be required to adopt under the United States Dodd-Frank Wall Street Reform and Consumer Protection Act and implementing rules and regulations thereunder, or as otherwise required by law. The Company shall have the right to offset against any other amounts due from the Company to the Grantee the amount owed by the Grantee hereunder.

8. No Advice Regarding Grant. The Company and its Subsidiaries are not providing any tax, legal or financial advice, nor are the Company and its Subsidiaries making any recommendations regarding the Grantee's participation in the Plan, or the Grantee's acquisition or sale of the underlying shares of Stock. The Grantee is hereby advised to consult with the Grantee's own personal tax, legal and financial advisors regarding the Grantee's participation in the Plan before taking any action related to the Plan.

9. Failure to Enforce Not a Waiver. The failure of the Company to enforce at any time any provision of this Agreement shall in no way be construed to be a waiver of such provision or of any other provision hereof.

10. Authority. The Committee shall have full authority to interpret and construe the terms of the Plan and this Agreement. The determination of the Committee as to any such matter of interpretation or construction shall be final, binding and conclusive on all parties.

11. Rights as a Stockholder. The Grantee shall have no rights as a stockholder of the Company with respect to any shares of Stock underlying or relating to the RSU Award until the issuance of shares of Stock to the Grantee in respect of the RSU Award; provided, however, that in the event the Board shall declare a dividend on the Stock, a dividend equivalent equal to the per share amount of such dividend shall be credited on all RSUs underlying the RSU Award and outstanding on the record date for such dividend, such dividend equivalents to be payable in cash without interest on the vesting date of the RSUs on which the dividend equivalents were credited and shall otherwise be subject to the same terms and conditions as the RSUs on which the dividend equivalents were credited.

12. Code Section 409A. Although the Company does not guarantee to the Grantee any particular tax treatment relating to the RSU Award, it is intended that the RSU Award be exempt from Code Section 409A, to the extent applicable, and this Agreement shall be construed in a manner consistent with the requirements for avoiding taxes or penalties under Code Section 409A. Notwithstanding anything herein to the contrary, in no event whatsoever shall the Company or any of its Affiliates be liable

for any additional tax, interest or penalties that may be imposed on the Grantee by Code Section 409A or any damages for failing to comply with Code Section 409A, if applicable.

13. Succession and Transfer. Each and all of the provisions of this Agreement are binding upon and inure to the benefit of the Company and the Grantee and their respective estate, successors and assigns, subject to any limitations on transferability under applicable law or as set forth in the Plan or herein.

14. Electronic Delivery and Acceptance. The Company may, in its sole discretion, elect to deliver any documents related to current or future participation in the Plan by electronic means. The Grantee hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company. The Grantee agrees that all online acknowledgements shall have the same force and effect as a written signature.

15. Insider Trading and/or Market Abuse. By participating in the Plan, the Grantee agrees to comply with the Company's policy on insider trading (to the extent that it is applicable to the Grantee). The Grantee further acknowledges that, depending on the Grantee's or his or her broker's country of residence or where the shares of Stock are listed, the Grantee may be subject to insider trading restrictions and/or market abuse laws that may affect the Grantee's ability to accept, acquire, sell or otherwise dispose of shares of Stock, rights to shares of Stock (e.g., RSUs) or rights linked to the value of shares of Stock, during such times the Grantee is considered to have "inside information" regarding the Company as defined by the laws or regulations in the Grantee's country. Local insider trading laws and regulations may prohibit the cancellation or amendment of orders the Grantee places before the Grantee possessed inside information. Furthermore, the Grantee could be prohibited from (i) disclosing the inside information to any third party (other than on a "need to know" basis) and (ii) "tipping" third parties or causing them otherwise to buy or sell securities. The Grantee understands that third parties include fellow employees. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. The Grantee acknowledges that it is the Grantee's responsibility to comply with any applicable restrictions, and that the Grantee should therefore consult the Grantee's personal advisor on this matter.

16. No Public Offer. The grant of the RSU Award is not intended to be a public offering of securities in the Grantee's country. The Company has not submitted any registration statement, prospectus or other filings with the local securities authorities (unless otherwise required under local law), and the grant of the RSU Award is not subject to the supervision of the local securities authorities.

17. Language. If the Grantee is resident in a country where English is not an official language, the Grantee acknowledges and agrees that it is the Grantee's express intent that this Agreement, the Plan and all other documents, notices and legal proceedings entered into, given or instituted pursuant to the RSU Award be drawn up in English. If the Grantee has received this Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

18. Foreign Asset Reporting; Repatriation; Compliance with Law. The Grantee acknowledges that certain foreign asset and/or account reporting requirements may affect the Grantee's ability to acquire or hold the shares of Stock acquired under the Plan or cash received from participating in the Plan (including from any dividends paid on the shares of Stock acquired under the Plan) in a brokerage or bank account outside the Grantee's country. The Grantee may be required to report such accounts, assets or transactions to the tax or other authorities in the Grantee's country. The Grantee also may be required to repatriate dividends, sale proceeds or other funds received as a result of participating in the Plan to the Grantee's country through a designated bank or broker within a certain time after receipt. The Grantee acknowledges that it is the Grantee's responsibility to be compliant with such regulations, and the Grantee should speak to the Grantee's personal advisor on this matter. In addition, the Grantee agrees to take any and all actions, and consents to any and all actions taken by the Company and its Affiliates, as may be required to allow the Company and its Affiliates to comply with local laws, rules and/or regulations in the Grantee's country. Finally, the Grantee agrees to take any and all actions as may be required to comply with the Grantee's personal obligations under local laws, rules and/or regulations in the Grantee's country.

19. Imposition of Other Requirements. The Company reserves the right to impose other requirements on the Grantee's participation in the Plan, on the RSU Award, and on any shares of Stock acquired under the Plan, to the extent the

Company determines it is necessary or advisable to comply with local law or facilitate the administration of the Plan, and to require the Grantee to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

20. Data Privacy. *The Grantee acknowledges the collection, use and transfer, in electronic or other form, of the Grantee's Personal Data (defined below) as described in this Agreement and any other grant materials by and among, as necessary and applicable, the Company or any of its Affiliates, for the legitimate purpose of implementing, administering and managing the Grantee's participation in the Plan.*

The Grantee understands that the Company and/or the Employer collects, holds, uses, and processes certain personal information about the Grantee, including, but not limited to, the Grantee's name, home address, email address and telephone number, date of birth, social security or insurance number, passport number or other identification number, salary, nationality, and any shares of Stock or directorships held in the Company, and details of the RSU Award or any other entitlement to shares of Stock, canceled, exercised, vested, unvested or outstanding in the Grantee's favor ("Personal Data"). The Company and/or the Employer acts as the controller/owner of this Personal Data, and processes this Personal Data for the legitimate purpose of implementing, administering and managing the Plan.

The Grantee understands that the Personal Data will be transferred to Merrill Lynch or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. The Grantee understands that the recipients of Personal Data may be located in the United States or elsewhere, and that the recipients' country (e.g., the United States) may have different data privacy laws and protections than the Grantee's country. The Grantee understands that the Grantee may request a list with the names and addresses of any potential recipients of Personal Data by contacting the Grantee's local human resources representative. When transferring Personal Data to these potential recipients, the Company provides appropriate safeguards in accordance with EU Standard Contractual Clauses, the EU-U.S. Privacy Shield, or another legally binding and permissible arrangement. The Grantee may request a copy of such safeguards from Grantee's local human resources representative.

The Grantee authorizes the Company, Merrill Lynch and any other possible recipients that may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer Personal Data, in electronic or other form, for the sole purpose of implementing, administering and managing the Grantee's participation in the Plan. The Grantee understands that Personal Data will be held only as long as is necessary to implement, administer and manage the Grantee's participation in the Plan. To the extent provided by local law, the Grantee may, at any time, have the right to request: access to Personal Data, rectification of Personal Data, erasure of Personal Data, restriction of processing of Personal Data, and portability of Personal Data. The Grantee may also have the right to object, on grounds related to a particular situation, to the processing of Personal Data, as well as opt-out of the Plan herein, in any case without cost, by contacting in writing the Grantee's local human resources representative. The Grantee understands, however, that the only consequence of refusing to provide Personal Data is that the Company would not be able to grant to the Grantee RSUs or other equity awards or administer or maintain such awards. Therefore, the Grantee understands that refusing to provide Personal Data may affect the Grantee's ability to participate in the Plan. For more information on the consequences of the Grantee's refusal to provide Personal Data, the Grantee understands that he or she may contact the Grantee's local human resources representative.

21. No Assignment; Nontransferability. This Agreement (and the RSU Award) may not be assigned by the Grantee by operation of law or otherwise. In the event of the Grantee's termination of employment by reason of death, the RSU Award and any Awards previously granted to the Grantee under the Plan shall not be transferable except by will or the laws of descent and distribution.

22. Notices. Any notice required or permitted under this Agreement shall be deemed given when delivered personally, or when deposited in a United States Post Office, postage prepaid, addressed, as appropriate, to (a) the Grantee at the last address specified in Grantee's employment records and (b) the Company, Attention: General Counsel, or such other address as the Company may designate in writing to the Grantee.

23. Amendments. This Agreement may be amended or modified at any time by an instrument in writing signed by the parties to this Agreement.

24. Severability. The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

25. Governing Law. This Agreement and the legal relations between the parties shall be governed by and construed in accordance with the internal laws of the State of Delaware in the United States, without effect to the conflicts of laws principles thereof. For purposes of litigating any dispute that arises under the RSU Award or this Agreement, the parties hereby submit to and consent to the exclusive jurisdiction of the State of New Jersey in the United States where this grant is made and/or to be performed, and agree that such litigation shall be conducted in the federal courts for the United States for the District of New Jersey, or if jurisdiction does not exist in such federal court, the state courts in Morris County, New Jersey in the United States.

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IN WITNESS WHEREOF, this Agreement is effective as of the date first above written.

WYNDHAM DESTINATIONS, INC.

_____
Signature of Participant

_____ Authorized Signature Wyndham Destinations, Inc.

APPENDIX A
ADDITIONAL PROVISIONS FOR NON-U.S. EMPLOYEES

TERMS AND CONDITIONS

This Appendix A includes special terms and conditions that govern the RSU Award granted to the Grantee under the Plan if the Grantee resides in one of the countries listed below. If the Grantee is a citizen or resident of a country other than the one in which the Grantee is currently working, is considered a resident of another country for local law purposes or if the Grantee transfers employment and/or residency between countries after the RSU Award is granted, the Company will, in its discretion, determine the extent to which the terms and conditions herein will be applicable to the Grantee (or the Company may establish alternative terms and conditions as may be necessary or advisable). Certain capitalized terms used but not defined in this Appendix A have the meanings set forth in the Plan and/or the Agreement.

NOTIFICATIONS

This Appendix A also includes information regarding exchange controls and certain other issues of which the Grantee should be aware with respect to the Grantee's participation in the Plan. The information is based on the securities, exchange control and other laws in effect in the respective countries as of January 2018. Such laws are often complex and change frequently. As a result, the Company strongly recommends that the Grantee not rely on the information in the Appendix A as the only source of information relating to the consequences of the Grantee's participation in the Plan because the information may be out of date at the time that the RSU Award vests, or the Grantee acquires shares of Stock or sells shares of Stock acquired under the Plan. This Appendix A does not address notification requirements in every country. It is the Grantee's responsibility to consult with the Grantee's advisor as to the existence and nature of applicable requirements in the Grantee's country.

In addition, the information contained herein is general in nature and may not apply to the Grantee's particular situation, and the Company is not in a position to assure the Grantee of any particular result. Accordingly, the Grantee is advised to seek appropriate professional advice as to how the relevant laws in the Grantee's country may apply to the Grantee's situation.

Finally, if the Grantee is a citizen or resident of a country other than the one in which the Grantee is currently working, is considered a resident of another country for local law purposes or if the Grantee transfers employment and/or residency between countries after the date the RSU Award is granted, the information contained herein may not be applicable to the Grantee in the same manner.

ARGENTINA

Terms and Conditions

Labor Law Acknowledgement. This provision supplements Section 3 of the Agreement.

In accepting the RSU Award, the Grantee acknowledges and agrees that the grant of the RSU Award is made by the Company (not the Employer) in its sole discretion and the value of the RSU Award or any shares of Stock acquired under the Plan shall not constitute salary or wages for any purpose under Argentine labor law, including, but not limited to, the calculation of (i) any labor benefits including, without limitation, vacation pay, compensation in lieu of notice, annual bonus, disability, and leave of absence payments, etc., or (ii) any termination or severance indemnities or similar payments.

If, notwithstanding the foregoing, any benefits under the Plan are considered as salary or wages for any purpose under Argentine labor law, the Grantee acknowledges and agrees that such benefits shall not accrue more frequently than on each vesting date. The Grantee further acknowledges and agrees the RSU Award is an extraordinary benefit, which for labor law purposes (e.g., thirteenth month salary, Christmas bonuses, or similar payments) are valued at the Fair Market Value of the shares of Stock on the date of vesting, when the shares of Stock are delivered to the Grantee. A portion of such value may be deducted, to be taken into account for thirteenth month salary purposes as of the month in which the vesting occurs if required under local law.

Notifications

Securities Law Information. Neither the RSU Award nor the underlying shares of Stock are publicly offered or listed on any stock exchange in Argentina. The offer is private and not subject to the supervision of any Argentine governmental authority.

Exchange Control Information. If the Grantee is an Argentine resident, the Grantee must comply with any and all Argentine currency exchange restrictions, approvals and reporting requirements in connection with the RSU Award. Argentine residents should consult with their personal advisor to confirm what will be required (if anything), as the exchange control rules and regulations are subject to change without notice.

AUSTRALIA

Terms and Conditions

Compliance with Law. Notwithstanding any provision in the Agreement to the contrary, the Grantee will not be entitled to, and shall not claim any benefit (including, without limitation, a legal right as set forth in Sections 2 and 5 of the Agreement) under the Plan if the provision of such benefit would give rise to a breach of Part 2D.2 of the Corporations Act 2001 (Cth) (the "Corporations Act"), any other provision of the Corporations Act, or any other applicable statute, rule or regulation which limits or restricts the giving of such benefits. Further, the Company's Subsidiary in Australia is under no obligation to seek or obtain the approval of its shareholders in a general meeting for the purpose of overcoming any such limitation or restriction.

Notifications

Tax Information. The Plan is a plan to which Subdivision 83A-C of the Income Tax Assessment Act 1997 (Cth) (the "Tax Assessment Act") applies (subject to the conditions in the Tax Assessment Act).

BELGIUM

Notifications

Foreign Account/Asset Reporting Notification. Belgian residents are required to report any taxable income attributed to RSUs on their annual tax return. In addition, Belgian residents are required to report any securities held (including shares of Stock) or bank accounts (including brokerage accounts) they maintain outside of Belgium on their annual tax return. In a separate report, they must provide the National Bank of Belgium with certain details regarding such foreign accounts (including the account number, bank name and country in which any such account was opened). The forms to complete this report are available on the website of the National Bank of Belgium.

Stock Exchange Tax. A stock exchange tax applies to transactions executed by a Belgian resident through a financial intermediary, such as a bank or broker. If the transaction is conducted through a Belgian financial intermediary, it may withhold the stock exchange tax, but if the transaction is conducted through a non-Belgian financial intermediary, the Belgian resident may need to report and pay the stock exchange tax directly. The stock exchange tax likely will apply when the shares of Stock acquired under the Plan are sold. Belgian residents should consult with a personal tax or financial advisor for additional details on their obligations with respect to the stock exchange tax.

BRAZIL

Terms and Conditions

Compliance with Law. In accepting the RSU Award, the Grantee agrees to comply with all applicable Brazilian laws and to report and pay any and all applicable Tax-Related Items associated with the vesting/settlement of the RSU Award, the sale of shares of Stock acquired under the Plan or the receipt of dividends.

Labor Law Acknowledgement. In accepting the RSU Award, the Grantee agrees that he or she is (i) making an investment decision, (ii) the shares of Stock will be issued to the Grantee only if the vesting conditions are met, and (iii) the value of

the underlying shares of Stock is not fixed and may increase or decrease in value over the vesting period without compensation to the Grantee.

Notifications

Exchange Control Information. If the Grantee is a resident or domiciled in Brazil, he or she will be required to submit annually a declaration of assets and rights (including shares of Stock issued upon settlement of the RSU Award) held outside Brazil to the Central Bank of Brazil if the aggregate value of such assets and rights held abroad is equal to or exceeds a threshold that is established annually by the Central Bank. Further, if the Grantee is a resident or domiciled in Brazil, and transfers funds into Brazil (e.g., proceeds from the sale of shares of Stock), he or she is required to transfer such funds through a duly authorized bank and provide any requested supporting documents to the bank. By accepting the RSU Award, the Grantee acknowledges that it is his or her responsibility to comply with the Brazilian exchange control laws, and neither the Company nor the Employer will be liable for any fines or penalties resulting from the Grantee's failure to comply with applicable exchange control laws. The Grantee should consult with his or her personal legal advisor to ensure compliance with applicable Brazilian regulations.

CANADA

Terms and Conditions

Settlement of RSU Award. Notwithstanding Section 2 of the Agreement; the RSU Award does not provide any right for the Grantee to receive a cash payment and the RSU Award will be settled only in shares of Stock.

The following provisions apply to Grantees in Quebec:

Consent to Receive Information in English. The parties acknowledge that it is their express wish that the Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Les parties reconnaissent avoir exigé la rédaction en anglais de cette convention, ainsi que de tous documents, avis et procédures judiciaires, exécutés, donnés ou intentés en vertu de, ou liés directement ou indirectement à, la présente convention.

Data Privacy. The following provision supplements Section 20 of the Agreement:

The Grantee hereby authorizes the Company and the Company's representative to discuss with and obtain all relevant information from all personnel, professional or non-professional, involved with the administration of the Plan. The Grantee further authorizes the Company and the Employer to disclose and discuss the Grantee's participation in the Plan with their advisors. The Grantee also authorizes the Company and the Employer to record such information and keep it in Grantee's employee file.

Notifications

Securities Law Notification. The Grantee may not be permitted to sell within Canada shares of Stock acquired under the Plan. The Grantee may only be permitted to sell or dispose of any shares of Stock acquired under the Plan if such sale or disposal takes place outside of Canada through the facilities of a stock exchange on which the shares of Stock are listed (i.e., the New York Stock Exchange).

Foreign Asset/Account Reporting Notification. Specified foreign property, including shares of Stock, RSUs, and other rights to receive shares (e.g., stock options) of a non-Canadian company held by a Canadian resident generally must be reported annually on a Form T1135 (Foreign Income Verification Statement) if the total cost of his or her specified foreign assets exceeds CAD 100,000 at any time during the year. Thus, the RSU Award must be reported (generally at a nil cost) if the CAD 100,000 cost threshold is exceeded because the Grantee holds other specified foreign property. When shares of Stock are acquired, their cost generally is the adjusted cost base ("ACB") of the shares of Stock. The ACB ordinarily is equal the fair market value of the shares of Stock at the time of acquisition, but if the Grantee owns other shares of

Stock, this ACB may have to be averaged with the ACB of the other shares of Stock. The Grantee should consult his or her personal tax advisor to ensure compliance with the applicable reporting obligations.

CHINA

Terms and Conditions

The following terms and conditions apply if the Grantee is subject to exchange control restrictions and regulations in China, including the requirements imposed by the State Administration of Foreign Exchange ("SAFE"), as determined by the Company in its sole discretion.

Exchange Control Restrictions. The Grantee understands and agrees that, to facilitate compliance with exchange control requirements, the Grantee is required to hold the shares of Stock received upon settlement of the RSU Award with the Company's designated brokerage firm until the shares of Stock are sold.

Further, the Grantee understands and agrees that the Grantee will be required to immediately repatriate to China dividends and proceeds from the sale of any shares of Stock acquired under the Plan. The Grantee also understands and agrees that such repatriation of proceeds may need to be effected through a special bank account established by the Company or its Subsidiary in China, and the Grantee hereby consents and agrees that dividends and proceeds from the sale of shares of Stock acquired under the Plan may be transferred to such account on the Grantee's behalf prior to being delivered to the Grantee and that no interest shall be paid with respect to funds held in such account. The proceeds may be paid in U.S. dollars or local currency at the Company's discretion. If the proceeds are paid in U.S. dollars, the Grantee understands that a U.S. dollar bank account in China must be established and maintained so that the proceeds may be deposited into such account. If the proceeds are paid in local currency, the Grantee acknowledges that the Company is under no obligation to secure any particular exchange conversion rate and that the Company may face delays in converting the proceeds to local currency due to exchange control restrictions. The Grantee agrees to bear any currency fluctuation risk between the time the shares of Stock are sold and the net proceeds are converted into local currency and distributed to the Grantee. The Grantee further agrees to comply with any other requirements that may be imposed by the Company or its Subsidiaries in China in the future to facilitate compliance with exchange control requirements in China. The Grantee acknowledges and agrees that the processes and requirements set forth herein shall continue to apply following the Grantee's termination of employment.

Sale of Shares of Stock Upon Termination. Notwithstanding anything to the contrary in the Plan or the Agreement, in the event of the Grantee's termination of employment for any reason, the Grantee will be required to sell all shares of Stock issued pursuant to the Plan no later than 90 days after the Grantee's employment termination date (or such other period as may be required by the SAFE or the Company) (the "Mandatory Sale Date"), and repatriate the sales proceeds to China in the manner designated by the Company. The Grantee understands that any shares of Stock the Grantee holds under the Plan that have not been sold by the Mandatory Sale Date will automatically be sold by the Company's designated broker at the Company's direction (on the Grantee's behalf pursuant to this authorization without further consent).

Administration. Neither the Company nor any of its Subsidiaries shall be liable for any costs, fees, lost interest or dividends or other losses the Grantee may incur or suffer resulting from the enforcement of the terms of this Appendix A or otherwise from the Company's operation and enforcement of the Plan, the Agreement and the RSU Award in accordance with Chinese law including, without limitation, any applicable SAFE rules, regulations and requirements.]

GERMANY

Notifications

Exchange Control Notification. Cross-border payments in excess of EUR 12,500 must be reported to the German Federal Bank. All reports must be filed electronically. The electronic "General Statistics Reporting Portal" (Allgemeines Meldeportal Statistik) can be accessed on the German Federal Bank's website: www.bundesbank.de.

In the event that the Grantee makes or receives a payment in excess of this amount, the Grantee is responsible for complying with applicable reporting requirements.

GREECE

There are no country-specific provisions.

INDIA

Notifications

Repatriation. The Grantee understands that he or she must repatriate to India dividends and the proceeds from the sale of shares of Stock acquired at vesting within the time frame prescribed under applicable law. The Grantee must obtain evidence of the repatriation of funds in the form of a foreign inward remittance certificate ("FIRC") from the bank where he/she deposited the foreign currency. The Grantee must retain the FIRC in his/her records to present to the Reserve Bank of India or the Employer in the event that proof of repatriation is requested.

MEXICO

Terms and Conditions

Nature of Grant. This provision supplements Section 3 ("Nature of Grant") of the Agreement:

By accepting the RSU Award, the Grantee understands and agrees that any modification of the Plan or the Agreement or its termination shall not constitute a change or impairment of the terms and conditions of employment.

Policy Statement. The invitation the Company is making under the Plan is unilateral and discretionary and, therefore, the Company reserves the absolute right to amend it and discontinue it at any time without any liability.

The Company, with registered offices at 22 Sylvan Way, Parsippany, New Jersey, 07054, U.S.A., is solely responsible for the administration of the Plan and participation in the Plan and, in the Grantee's case, the acquisition of shares of Stock does not, in any way, establish an employment relationship between the Grantee and the Company since the Grantee is participating in the Plan on a wholly commercial basis and the sole employer is Resort Condominiums International de México, S. de R.L. de C.V., a Mexican company, located at Horacio No. 1855-P.H., Col. Los Morales-Polanco, 11510 Mexico City, Mexico, as applicable, nor does it establish any rights between the Grantee and the Employer.

Plan Document Acknowledgment. By accepting the RSU Award, the Grantee acknowledges that the Grantee has received a copy of the Plan, has reviewed the Plan and the Agreement in their entirety and fully understands and accepts all provisions of the Plan and the Agreement.

In addition, the Grantee further acknowledges that the Grantee has read and specifically and expressly approves the terms and conditions in the Agreement, in which the following is clearly described and established: (i) participation in the Plan does not constitute an acquired right; (ii) the Plan and participation in the Plan is offered by the Company on a wholly discretionary basis; and (iii) participation in the Plan is voluntary.

Finally, the Grantee hereby declares that the Grantee does not reserve any action or right to bring any claim against the Company for any compensation or damages as a result of participation in the Plan and therefore grant a full and broad release to the Employer and the Company and its Affiliates with respect to any claim that may arise under the Plan.

Spanish Translation

Reconocimiento de la Ley Laboral. Estas disposiciones complementan la sección del Acuerdo titulada «Nature of Grant » :

Por medio de la aceptación de la Concesión, Ud. manifiesta que Ud. entiende y acuerda que cualquier modificación del Plan o su terminación no constituye un cambio o desmejora en los términos y condiciones de empleo.

Declaración de Política. La invitación por parte de la Compañía bajo el Plan es unilateral y discrecional y, por lo tanto, la Compañía se reserva el derecho absoluto de modificar y discontinuar el mismo en cualquier momento, sin ninguna responsabilidad.

La Compañía, con oficinas registradas ubicadas en Twenty-Two Sylvan Way, Parsippany, New Jersey, 07054 EE.UU., es la única responsable por la administración del Plan y de la participación en el mismo y, la adquisición de Acciones no establece de forma alguna, una relación de trabajo entre Ud. y la Compañía, ya que la participación en el Plan por su parte es completamente comercial y el único patrón es Resort Condominiums International de México, S. de R.L. de C.V., a Mexican company, located at Horacio No. 1855-P.H., Col. Los Morales-Polanco, 11510 Mexico City, Mexico, en caso de ser aplicable, así como tampoco establece ningún derecho entre Ud. y el patrón.

Reconocimiento del Plan de Documentos. Por medio de la aceptación de la Concesión, Ud. reconoce que Ud. ha recibido copias del Plan, que el mismo ha sido revisado al igual que la totalidad del Acuerdo y, que Ud. entiende y acepta las disposiciones contenidas en el Plan y en el Acuerdo.

Adicionalmente, al firmar el Acuerdo, Ud. reconoce que Ud. ha leído, y que aprueba específica y expresamente los términos y condiciones contenidos en el Acuerdo, en lo cual se encuentra claramente descrito y establecido lo siguiente: (i) la participación en el Plan no constituye un derecho adquirido; (ii) el Plan y la participación en el mismo es ofrecida por la Compañía de forma enteramente discrecional; (iii) la participación en el Plan es voluntaria; y (iv) la Compañía, así como sus Affiliates no son responsables por cualquier detrimento en el valor de las Acciones en relación con la Concesión.

Finalmente, por medio de la presente Ud. declara que no se reserva ninguna acción o derecho para interponer una demanda en contra de la Compañía por compensación, daño o perjuicio alguno como resultado de la participación en el Plan y en consecuencia, otorga el más amplio finiquito a su patrón, así como a la Compañía, a sus Affiliates con respecto a cualquier demanda que pudiera originarse en virtud del Plan.

NETHERLANDS

Terms and Conditions

Exclusion of Claim. The Grantee acknowledges and agrees that the Grantee will have no entitlement to compensation or damages insofar as such entitlement arises or may arise from the Grantee ceasing to have rights under or to be entitled to the RSU Award, whether or not as a result of the termination of employment with the Company or its Subsidiaries or Affiliates for any reason whatsoever (whether the termination is in breach of contract or otherwise), or from the loss or diminution in value of the RSU Award. Upon the grant of the RSU Award, the Grantee shall be deemed irrevocably to have waived any such entitlement.

SINGAPORE

Terms and Conditions

Settlement of RSU Award. This provision supplements Section 2 of the Agreement:

Notwithstanding Section 2 of the Agreement, the RSU Award does not provide any right for the Grantee to receive a cash payment and the RSU Award will be settled only in shares of Stock.

Restrictions on Sale and Transferability. The Grantee hereby agrees that any shares of Stock acquired pursuant to the RSU Award will not be offered for sale in Singapore prior to the sixmonth anniversary of the date the RSU Award is granted, unless such sale or offer is made pursuant to the exemptions under Part XIII Division 1 Subdivision (4) (other than section 280) of the Securities and Futures Act (Chap. 289, 2006 Ed.) ("SFA") or pursuant to, and in accordance with the condition of, any other applicable provision of the SFA.

Notifications

Securities Law Notification. The grant of the RSU Award is being made pursuant to the "Qualifying Person" exemption under section 273(1)(f) of the SFA and is not made to the Grantee with a view to the RSU Award or underlying shares of

Stock being subsequently offered for sale to any other party. The Plan has not been lodged or registered as a prospectus with the Monetary Authority of Singapore.

Chief Executive Officer and Director Reporting Notification. If the Grantee is the Chief Executive Officer ("CEO") or a director (including an alternate, substitute or shadow director) of a Singapore Subsidiary, the Grantee is subject to certain notification requirements under the Singapore Companies Act. Among these requirements is an obligation to notify the Singapore company in writing within two (2) business days after the following events: (1) the Grantee receives an interest (e.g., RSUs, shares of Stock) in the Company or any related companies; (2) any change in a previously-disclosed interest (e.g., the sale of shares of Stock); or
(3) becoming the CEO or a director.

SOUTH AFRICA

Notifications

Securities Law; Acceptance of the Restricted Stock Units. Neither the RSU Award nor the underlying shares of Stock shall be publicly offered or listed on any stock exchange in South Africa. The offer is intended to be private pursuant to Section 96 of the Companies Act and is not subject to the supervision of any South African governmental authority.

The offer of the RSU Award must be finalized on or before the 180th day following the date the RSU Award is granted. If the Grantee has not accepted or declined the RSU Award on or before the 180th day following the date the RSU Award was granted, the Grantee will be deemed to accept the RSU Award on such date.

SWITZERLAND

Notifications

Securities Law Notification. The RSU Award is not intended to be publicly offered in or from Switzerland. Because the offer of the RSU Award is considered a private offering, it is not subject to registration in Switzerland. Neither this document nor any other materials relating to the RSU Award or the Plan (i) constitute a prospectus as such term is understood pursuant to article 652a of the Swiss Code of Obligations, (ii) may be publicly distributed nor otherwise made publicly available in Switzerland, or (iii) have been or will be filed with, approved or supervised by any Swiss regulatory authority, including the Swiss Financial Market Supervisory Authority (FINMA).

UNITED ARAB EMIRATES

Notifications

Securities Law Notification. The Plan is being offered only to qualified employees and is in the nature of providing equity incentives to employees of the Company's Subsidiary in the United Arab Emirates ("UAE"). Any documents related to the Plan, including the Plan, Plan prospectus, the Agreement and other grant documents ("Plan Documents"), are intended for distribution only to such employees and must not be delivered to, or relied on by, any other person. Prospective purchasers of the securities offered should conduct their own due diligence on the securities. If the Grantee does not understand the contents of the Plan Documents, he or she should consult an authorized financial adviser.

The relevant securities authorities have no responsibility for reviewing or verifying any Plan Documents. Neither the UAE securities nor financial/economic authorities have approved the Plan Documents, nor taken steps to verify the information set out in them, and thus, are not responsible for their content.

The securities to which this summary relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the securities offered should conduct their own due diligence on the securities.

UNITED KINGDOM

Terms and Conditions

Withholding. The paragraph below supplements Section 6 of the Agreement:

Without limitation to Section 6 of the Agreement, the Grantee hereby agrees that he or she is liable for all Tax-Related Items and hereby covenants to pay all such Tax-Related Items, as and when requested by the Company or (if different) the Employer or by Her Majesty's Revenue & Customs ("HRMC") (or any other tax authority or any other relevant authority). The Grantee also hereby agrees to indemnify and keep indemnified the Company and (if different) the Employer against any Tax-Related Items that they are required to pay or withhold or have paid or will pay on the Grantee's behalf to HMRC (or any other tax authority or any other relevant authority).

Notwithstanding the foregoing, if the Grantee is a director or executive officer (as within the meaning of Section 13(k) of the U.S. Securities Exchange Act of 1934, as amended), the terms of the immediately foregoing provision will not apply. In the event that the Grantee is a director or executive officer and income tax due is not collected from or paid by the Grantee within 90 days after the U.K. tax year in which an event giving rise to the indemnification described above occurs, the amount of any uncollected tax may constitute a benefit to the Grantee on which additional income tax and national insurance contributions may be payable. The Grantee acknowledges that the Grantee ultimately will be responsible for reporting and paying any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for reimbursing the Corporation or the Employer (as applicable) for the value of any employee national insurance contributions due on this additional benefit, which the Company and/or the Employer may recover from the Grantee at any time thereafter by any of the means referred to in Section 6 of this Agreement.

Exclusion of Claim. The Grantee acknowledges and agrees that the Grantee will have no entitlement to compensation or damages insofar as such entitlement arises or may arise from the Grantee ceasing to have rights under or to be entitled to the RSU Award, whether or not as a result of the termination of employment with the Company or its Subsidiaries or Affiliates for any reason whatsoever (whether the termination is in breach of contract or otherwise), or from the loss or diminution in value of the RSU Award. Upon the grant of the RSU Award, the Grantee shall be deemed irrevocably to have waived any such entitlement.

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Exhibit 10.58
Final Form

WYNDHAM WORLDWIDE CORPORATION
2006 EQUITY AND INCENTIVE PLAN, AS AMENDED AND RESTATED

AWARD AGREEMENT – RESTRICTED STOCK UNITS (NON-EMPLOYEE DIRECTOR)

This Award Agreement (this "Agreement"), dated as of _____, is by and between Wyndham Worldwide Corporation, a Delaware corporation (the "Company"), and you (the "Grantee"), pursuant to the terms and conditions of the Wyndham Worldwide Corporation 2006 Equity and Incentive Plan, as amended and restated (the "Plan").

In consideration of the provisions contained in this Agreement, the Company and the Grantee agree as follows:

1. The Plan. The RSU Award (as defined below) granted to the Grantee hereunder is made pursuant to the Plan. A copy of the Plan and a prospectus for the Plan are available at the Grantee's portal page on Benefits Online available at www.benefits.ml.com (the "Portal Page"), and the terms of the Plan are hereby incorporated in this Agreement as fully as though actually set forth herein. Terms used in this Agreement which are not defined in this Agreement shall have the meanings used or defined in the Plan.

2. RSU Award. Concurrently with the execution of this Agreement, subject to the terms and conditions set forth in the Plan and this Agreement, the Company hereby grants the RSUs described on the Portal Page (the "RSU Award") to the Grantee. Upon the vesting of the RSU Award, as described in Paragraph 3 below, the Company shall deliver, no later than March 15 of the calendar year following the calendar year in which all or portion of the RSU Award vests, for each RSU that vests, one share of Stock, subject to Paragraph 6 below.

3. Vesting. The RSU Award shall vest in accordance with the following schedule, subject to the Grantee's continuous service as a member of the Board through each applicable vesting date:

Vesting Date	Vesting RSUs

Upon (a) a Change in Control occurring during the Grantee's continuous service as a member of the Board, (b) the termination of the Grantee's continuous service as a member of the Board by reason of the Grantee's death or Disability (as defined in Code Section 409A), or (c) if applicable, such other event as set forth in the Grantee's written agreement of service with the Company, the RSU Award shall become immediately and fully vested, subject to any terms and conditions set forth in the Plan and/or imposed by the Committee.

4. Termination of Service. Notwithstanding any other provision of the Plan to the contrary and, if applicable, subject to the Grantee's written agreement of service with the Company, upon the termination of the Grantee's continuous service as a member of the Board for any reason whatsoever (other than the Grantee's death or Disability), the RSU Award, to the extent not yet vested, shall immediately and automatically terminate.

5. No Rights to Continued Service. Neither this Agreement nor the RSU Award shall be construed as giving the Grantee any right to continue serving as a member of the Board or interfere in any way with the right of the Company to terminate such service. Notwithstanding any other provision of the Plan, the RSU Award, this Agreement or any other agreement (written or oral) to the contrary, (a) for purposes of the Plan and the RSU Award, a termination of service shall be deemed to have occurred on the date upon which the Grantee ceases to serve on the Board, without regard to any period of notice of termination of service (whether expressed or implied) or any period of termination pay or compensation continuation; and (b) the Grantee shall not be entitled (and by accepting the RSU Award, automatically and irrevocably waives any such entitlement), by way of compensation for loss of office or otherwise, to any sum or other benefit to compensate the Grantee for the loss of any rights under the Plan as a result of the termination or expiration of the RSU Award in connection with any termination of service. No amounts earned pursuant to the Plan or any Award made under the Plan, including the RSU Award, shall be deemed to be eligible compensation in respect of any other plan of the Company or any of its Subsidiaries.

6. Tax Obligations. The Grantee agrees and acknowledges that the Company shall have the power and the right to deduct or withhold, or require the Grantee to remit to the Company, an amount sufficient to satisfy any federal, state, local and foreign taxes of any kind (including, but not limited to, the Grantee's FICA and SDI obligations) which the Company, in its sole discretion, deems necessary to be withheld or remitted to comply with the Code and/or any other applicable law, rule or regulation with respect to the RSUs, and if the withholding requirement cannot be satisfied, the Company may otherwise refuse to issue or transfer any shares of Stock otherwise required to be issued pursuant to this Agreement. Notwithstanding any action the Company takes with respect to any or all income tax, social insurance, payroll tax, or other tax-related withholding ("Tax-Related Items"), the ultimate liability for all TaxRelated Items is and remains the Grantee's responsibility, and the Company (a) makes no representation or undertakings regarding the treatment of any Tax-Related Items in connection with the grant or vesting of the RSUs or the subsequent sale of any shares and (b) does not commit to structure the RSUs to reduce or eliminate the Grantee's liability for Tax-Related Items.

7. Clawback. The RSU Award and any shares of Stock delivered pursuant to the RSU Award are subject to forfeiture, recovery by the Company or other action pursuant to any applicable clawback or recoupment policy which the Company may adopt from time to time, including without limitation any such policy which the Company may be required to adopt under the Dodd-Frank Wall Street Reform and Consumer Protection Act and implementing rules and regulations thereunder, or as otherwise required by law.

8. No Advice Regarding Grant. The Company and its Subsidiaries are not providing any tax, legal or financial advice, nor are the Company and its Subsidiaries making any recommendations regarding the Grantee's participation in the Plan, or the Grantee's acquisition or sale of the underlying shares of Stock. The Grantee is hereby advised to consult with the Grantee's own personal tax, legal and financial advisors regarding the Grantee's participation in the Plan before taking any action related to the Plan.

9. Failure to Enforce Not a Waiver. The failure of the Company to enforce at any time any provision of this Agreement shall in no way be construed to be a waiver of such provision or of any other provision hereof.

10. Authority. The Committee shall have full authority to interpret and construe the terms of the Plan and this Agreement. The determination of the Committee as to any such matter of interpretation or construction shall be final, binding and conclusive on all parties.

11. Rights as a Stockholder. The Grantee shall have no rights as a stockholder of the Company with respect to any shares of Stock underlying or relating to the RSU Award until the issuance of shares of Stock to the Grantee in respect of the RSU Award; provided, however, that in the event the Board shall declare a dividend on the Stock, a dividend equivalent equal to the per share amount of such dividend shall be credited on all RSUs underlying the RSU Award and outstanding on the record date for such dividend, such dividend equivalents to be payable in cash without interest on the vesting date of the RSUs on which the dividend equivalents were credited and shall otherwise be subject to the same terms and conditions as the RSUs on which the dividend equivalents were credited.

12. Code Section 409A. Although the Company does not guarantee to the Grantee any particular tax treatment relating to the RSU Award, it is intended that the RSU Award be exempt from Code Section 409A, and this Agreement shall be construed in a manner consistent with the requirements for avoiding taxes or penalties under Code Section 409A. Notwithstanding anything herein to the contrary, in no event whatsoever shall the Company or any of its affiliates be liable for any additional tax, interest or penalties that may be imposed on the Grantee by Code Section 409A or any damages for failing to comply with Code Section 409A.

13. Succession and Transfer. Each and all of the provisions of this Agreement are binding upon and inure to the benefit of the Company and the Grantee and their respective estate, successors and assigns, subject to any limitations on transferability under applicable law or as set forth in the Plan or herein.

14. Electronic Delivery and Acceptance. The Company may, in its sole discretion, elect to deliver any documents related to current or future participation in the Plan by electronic means. The Grantee hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

15. **No Assignment; Nontransferability.** This Agreement (and the RSU Award) may not be assigned by the Grantee by operation of law or otherwise. In the event of the Grantee's termination of service by reason of death, the RSU Award and any Awards previously granted to the Grantee under the Plan shall not be transferable except by will or the laws of descent and distribution.

16. **Notices.** Any notice required or permitted under this Agreement shall be deemed given when delivered personally, or when deposited in a United States Post Office, postage prepaid, addressed, as appropriate, to (a) the Grantee at the last address specified in Grantee's service records and (b) the Company, Attention: General Counsel, or such other address as the Company may designate in writing to the Grantee.

17. **Amendments.** This Agreement may be amended or modified at any time by an instrument in writing signed by the parties to this Agreement.

18. **Severability.** The provisions of this Agreement are severable, and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

19. **Governing Law.** This Agreement and the legal relations between the parties shall be governed by and construed in accordance with the internal laws of the State of Delaware, without effect to the conflicts of laws principles thereof. For purposes of litigating any dispute that arises under the RSU Award or this Agreement, the parties hereby submit to and consent to the exclusive jurisdiction of the State of New Jersey where this grant is made and/or to be performed, and agree that such litigation shall be conducted in the federal courts for the United States for the District of New Jersey, or if jurisdiction does not exist in such federal court, the state courts in Morris County, New Jersey.

***

IN WITNESS WHEREOF, this Agreement is effective as of the date first above written.

WYNDHAM DESTINATIONS, INC.

_____
Signature of Participant

_____ Authorized Signature Wyndham Destinations, Inc.

Exhibit 21.1

WYNDHAM DESTINATIONS, INC.
SUBSIDIARIES OF THE REGISTRANT

Name	Jurisdiction of Organization
Wyndham Destinations, Inc.	Delaware
Wyndham Properties Holdings S.C.S.	Luxembourg
Wyndham Hotel Group International, Inc.	Delaware
Wyndham Destination Network, LLC	Delaware
RCI General Holdco 2, LLC	Delaware
Wyndham Worldwide Operations, Inc.	Delaware
WER Luxembourg I S.á.r.l.	Luxembourg
WER Luxembourg II S.á.r.l.	Luxembourg
Pointlux S.á.r.l.	Luxembourg
Wyndham Vacation Ownership, Inc.	Delaware
Wyndham Vacation Resorts, Inc.	Delaware
Wyndham Consumer Finance, Inc.	Delaware
Sierra Deposit Company, LLC	Delaware
Wyndham Resort Development Corporation	Oregon

Omitted from the list are the names of subsidiaries that, if considered in the aggregate as a single subsidiary, would not constitute a “significant subsidiary” as defined in SEC Regulation S-X.

WYNDHAM DESTINATIONS, INC.
CORPORATION ASSUMED NAMES REPORT

Entity Name	Assumed Name
Wyndham Resort Development Corporation	Resort at Grand Lake
	Seasons
	Seasons at the Inn of Seventh Mountain
	Seasons at Seventh Mountain
	Seasons Restaurant
	Seventh Mountain
	Seventh Mountain Rafting Company
	Seventh Mountain Resort
	Seventh Mountain River Company
	The Lazy River Market
	Trendwest Resorts
	WorldMark by Wyndham
	WorldMark by Wyndham Travel
Wyndham Vacation Resorts, Inc.	Club Wyndham Travel
	Fairfield Durango
	Fairfield Homes
	Fairfield Land Company
	Fairfield Resorts
	Fairfield Vacation Club
	Glade Realty
	Harbour Realty
	Harbor Timeshare Sales
	Mountains Realty
	Ocean Breeze Market
	Pagosa Lakes Realty
	Real West Discount Adventures
	Red Rock Discount Adventures
	Red Rock West Discount Adventures
	Resort Financial Services
	Sapphire Realty
	Select Timeshare Realty
	Sharp Realty
Wyndham Worldwide Operations, Inc.	Women on Their Way
	Wyndham Worldwide Strategic

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-223859 on Form S-3ASR and in Registration Statement Nos. 333-136090 and 333-228435 on Forms S-8 of our report dated February 26, 2019, relating to the consolidated financial statements of Wyndham Destinations, Inc. (formerly Wyndham Worldwide Corporation) and subsidiaries (the "Company") (which report expresses an unqualified opinion and includes an explanatory paragraphs regarding the retrospective adjustment for a change in the Company's method of accounting for revenue from contracts with customers under Financial Accounting Standards Board Accounting Standards Codification 606, *Revenues from Contracts with Customers*), and the effectiveness of the Company's internal control over financial reporting, appearing in this Annual Report on Form 10-K of Wyndham Destinations, Inc. for the year ended December 31, 2018.

/s/ Deloitte & Touche LLP
Tampa, Florida
February 26, 2019

Exhibit 31.1

CERTIFICATION

I, Michael D. Brown, certify that:

1. I have reviewed this Annual Report on Form 10-K of Wyndham Destinations, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 26, 2019

/S/ MICHAEL D. BROWN

PRESIDENT AND CHIEF EXECUTIVE OFFICER

Exhibit 31.2

CERTIFICATION

I, Michael A. Hug, certify that:

1. I have reviewed this Annual Report on Form 10-K of Wyndham Destinations, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 26, 2019

/S/ MICHAEL A. HUG

CHIEF FINANCIAL OFFICER

Exhibit 32

CERTIFICATION OF PRESIDENT AND CEO AND CFO PURSUANT TO 18 U.S.C. SECTION 1350

In connection with the Annual Report of Wyndham Destinations, Inc. (the "Company") on Form 10-K for the period ended December 31, 2018, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Michael D. Brown, as President and Chief Executive Officer of the Company, and Michael A. Hug, as Chief Financial Officer of the Company, each hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/S/ MICHAEL D. BROWN

MICHAEL D. BROWN
PRESIDENT AND CHIEF EXECUTIVE OFFICER
FEBRUARY 26, 2019

/S/ MICHAEL A. HUG

MICHAEL A. HUG
CHIEF FINANCIAL OFFICER
FEBRUARY 26, 2019