



# Explanation of the March 9, 2017 E&P Dividend

# E&P Dividend

## Details

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- Park Hotels & Resorts (“Park”) paid a special E&P Dividend of approximately \$551 million to its stockholders of record as of the close of business on January 19, 2017, in connection with the company’s election to be taxed as a Real Estate Investment Trust.
- The E&P Dividend, valued at \$2.79 per share, was paid in stock and cash to stockholders.
- Stockholders were given the opportunity to elect to receive all stock or all cash. Stockholders who made no election were deemed to have made the all stock election.
- The total cash portion of the E&P Dividend was limited to approximately \$110 million. As a result of the actual elections, stockholders who elected all cash will receive a portion of the dividend in cash and a portion in stock.
- As a result of the E&P Dividend, Park issued approximately 16.6 million additional common shares to its stockholders, raising the total number of common shares outstanding to approximately 214 million.

## Cost Basis of Shares Received in E&P Dividend

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- For individual stockholders, the cost basis of the shares received in the E&P Dividend will be equal to \$26.613333 per share.
- The cost basis is equal to the average 3-day closing trading price on March 1, 2, and 3, 2017 as described in the FAQ About E&P Dividend Elections included in the materials sent to stockholders (see <http://www.pkhotelsandresorts.com/financial-information/dividend-tax-info>).
- The cost basis does not change for shares held prior to the E&P Dividend.
- Corporate stockholders must adjust the basis in their shares as required by Internal Revenue Code Section 1059 for extraordinary dividends.
- Stockholders should obtain tax advice from their own qualified tax professional.

# E&P Dividend

## Calculation Examples

E&P Dividend received by hypothetical stockholder holding 100 shares who elected all stock:

Date	Shares	Stock Factor	New Shares	(A)	Fractional Shares	(B)	(A)+(B)
				Share Value		Cash in lieu	Total Dividend
3/9/2017	100	0.10483	10	\$ 266.13	0.483	\$ 12.87	\$ 279.00

E&P Dividend received by hypothetical stockholder holding 100 shares who elected all cash:

Date	Shares	Cash Factor	(A)*	Stock Factor	New Shares	(B)	Fractional Shares	(C)	(A)+(B)+(C)
			Cash Dividend			Share Value		Cash in Lieu	Total Dividend
3/9/2017	100	0.217668	\$60.73	0.082015	8.00	\$ 212.91	0.202	\$ 5.36	\$ 279.00

\* Excluding cash in lieu of fractional shares, covered in (c)

Amounts received by stockholders may differ as a result of actual proceeds from the sales of fractional shares and rounding.

Stockholders should obtain tax advice from their own qualified tax professional.