

# HYATT HOTELS CORPORATION

## AUDIT COMMITTEE CHARTER

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This Audit Committee Charter was adopted by the Board of Directors (the “**Board**”) of Hyatt Hotels Corporation (the “**Company**”) on September 10, 2009 and effective as of November 4, 2009.

### I. Purpose

The purpose of the Audit Committee (the “**Committee**”) is to assist the Board with its oversight responsibilities regarding: (1) the integrity of the Company’s financial statements and its financial reporting and disclosure practices; (2) the soundness of the Company’s system of internal controls regarding finance and accounting compliance; (3) the annual independent audit of the Company’s consolidated financial statements; (4) the independent auditors’ qualifications and independence; (5) the performance of the Company’s internal audit function and independent auditors; (6) the Company’s compliance with legal and regulatory requirements in connection with the foregoing, including the Company’s disclosure controls and procedures; and (7) compliance with the Company’s Code of Business Conduct and Ethics (the “**Code of Ethics**”). The Committee shall also prepare the report of the Committee required by the rules of the Securities and Exchange Commission (the “**SEC**”) to be included in the Company’s annual proxy statement.

In addition to the powers and responsibilities expressly delegated to the Committee in this Charter, the Committee may exercise any other powers and carry out any other responsibilities delegated to it by the Board from time to time consistent with the Company’s bylaws and applicable law. The powers and responsibilities delegated by the Board to the Committee in this Charter or otherwise shall be exercised and carried out by the Committee as it deems appropriate without the requirement of Board approval, and any decision made by the Committee (including any decision to exercise or refrain from exercising any of the powers delegated to the Committee hereunder) shall be at the Committee’s sole discretion. While acting within the scope of the powers and responsibilities delegated to it, the Committee shall have and may exercise all the powers and authority of the Board. To the fullest extent permitted by law, the Committee shall have the power to determine which matters are within the scope of the powers and responsibilities delegated to it.

### II. Committee Membership

The Committee shall consist of at least three members. One member shall be elected as Chair. Each Committee member shall satisfy the independence and experience requirements of the New York Stock Exchange (the “**NYSE**”), Rule 10A-3(b)(1) of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), and other applicable federal laws and regulations with respect to audit committee members (as in effect from time to time). Each Committee member shall be financially literate as determined by the Board in its business judgment. At least one

member of the Committee shall be an “audit committee financial expert” within the definition adopted by the SEC. In addition to serving as a member of the Committee, no member of the Committee shall simultaneously serve on the audit committees of more than two other public companies unless the Board determines that such simultaneous service would not impair the ability of such member to serve on the Committee and this determination is disclosed in accordance with NYSE rules.

The members of the Committee, including the Chair of the Committee, will be nominated by the Nominating and Corporate Governance Committee and appointed by the Board. Committee members may be removed from the Committee, with or without cause, by the Board upon the recommendation of the Chairman of the Board or the Nominating and Corporate Governance Committee. Any action duly taken by the Committee shall be valid and effective, whether or not the members of the Committee at the time of such action are later determined not to have satisfied the requirements for membership provided herein.

### **III. Authority and Responsibilities**

The primary responsibility of the Committee is to oversee the Company’s financial controls and reporting processes on behalf of the Board and report the results of its activities to the Board. Management is responsible for preparing the Company’s financial statements, and the independent auditors are responsible for auditing those financial statements. The Committee in carrying out its responsibilities believes its policies and procedures should remain flexible, in order to best react to changing conditions and circumstances.

The following are the principal recurring processes of the Committee in carrying out its oversight responsibilities.

1. *Engagement and Oversight of Independent Auditors.* The Committee shall be directly and solely responsible for the appointment, compensation, retention, evaluation, termination (when circumstances warrant) and oversight of the work of the principal independent auditors (including resolution of any disagreements between Company management and the independent auditors regarding financial reporting) for the purpose of preparing or issuing an audit report on the Company’s consolidated financial statements or related work or performing other audit, review or attest services for the Company. The independent auditors are ultimately accountable to and shall report directly to the Committee.

2. *Determination as to Independence and Performance of Independent Auditors.* The Committee shall, at least annually, evaluate the independent auditors’ qualifications, performance and independence (consistent with SEC requirements), including a review and evaluation of the lead partner of the independent auditor team and whether the auditors’ performance of permissible non-audit services is compatible with their independence, taking into account the opinions of management and the internal auditors. This process shall include, at least annually, the Committee’s receipt and review of a report from the independent auditors

regarding (a) the auditors' internal quality-control procedures, (b) any material issues raised by the most recent quality-control review, or inspections by the Public Company Accounting Oversight Board ("PCAOB") of the auditing firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the firm, (c) any steps taken to deal with any such issues, and (d) all relationships between the independent auditors and the Company, or persons in a financial reporting oversight role at the Company consistent with applicable PCAOB ethics and independence rules established from time to time, that may reasonably be thought to bear on independence. The Committee shall actively engage in a dialogue with the independent auditors with respect to any disclosed relationships or services that, in the view of the Committee, may impact the objectivity and independence of the independent auditors. If the Committee determines that further inquiry is advisable, the Committee shall take appropriate action in response to the independent auditors' report to satisfy itself of the auditors' independence. Annually, the Committee will review the qualifications of the Company's current independent auditors, and select the Company's independent auditors for the next year, subject to shareholder ratification if required or sought.

3. *Audits by Independent Auditors.* The Committee shall discuss with the independent auditors prior to any audit the overall scope, plans and budget of the audit, including the adequacy of staffing and other factors that may affect the effectiveness of the audit.

4. *Pre-approval of Audit and Non-audit Services.* The Committee shall pre-approve all audit and permissible non-audit engagements of the independent auditors, including fees and terms. Committee pre-approval of audit and non-audit services will not be required if the engagement for the services is entered into pursuant to pre-approval policies and procedures established by the Committee which comply with Section 10A of the Exchange Act. The Chair of the Committee shall have the authority to pre-approve any permissible tax and non-audit related engagements with the independent auditors, provided that such approvals are presented to the Committee at a subsequent meeting. The Committee shall consult with management, but shall not delegate these responsibilities to management.

5. *Review of Interim Financial Statements.* Prior to the filing of the Company's Quarterly Reports on Form 10-Q, the Committee shall review and discuss with management and the independent auditors the Company's quarterly financial statements, including disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations." The Committee shall also discuss the results of the independent auditors' review of the Company's quarterly financial information and any other matters required to be communicated to the Committee by the independent auditor under auditing standards established from time to time by the PCAOB or SEC rules and regulations.

6. *Review of Quarterly Earnings Releases.* Review and discuss with management the Company's quarterly earnings press releases. Also generally discuss the types of information to be disclosed, including the use of any non-GAAP information, and the type of presentation to be

made with respect to earnings press releases and financial information and earnings guidance provided to analysts and rating agencies.

7. *Review of Annual Audited Financial Statements.* Prior to the filing of the Company's Annual Reports on Form 10-K, the Committee shall review and discuss with management and the independent auditors the Company's annual audited financial statements, including disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations."

The Committee shall also review and discuss with management and the independent auditors significant issues regarding financial statement presentations and accounting principles (including any significant changes in the Company's selection or application of accounting principles), major issues as to the adequacy of the Company's internal controls, significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, and any special steps adopted in light of any significant deficiencies or material weaknesses. The Committee shall discuss with management and the independent auditors the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the Company's financial statements.

The Committee shall also discuss with the independent auditors matters relating to the conduct of the audit, including:

- (a) the adoption of, or changes to, the Company's significant accounting policies, principles and practices;
- (b) all alternative treatments within GAAP for policies and practices related to material items that have been discussed among management and the independent auditors, including the ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditors;
- (c) any material written communication between the independent auditors and management, such as any management letter issued by the independent auditors or schedule of unadjusted differences;
- (d) any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to requested information, and any significant disagreement with management and management's responses to such matters;
- (e) any material accounting adjustments that were noted or proposed by the independent auditors but were "passed" (as immaterial or otherwise);

- (f) any written communications between the audit team and the independent auditors' national office with respect to any formal consultation regarding the application of accounting principles generally accepted in the United States or the application of auditing standards of the PCAOB; and
- (g) the matters required to be discussed by the Committee or communicated to the Committee by the independent auditors under auditing standards established from time to time by the PCAOB or SEC rules and regulations.

Based on such review and discussion, the Committee shall determine whether to recommend to the Board that the annual financial statements be included in the Company's Annual Report on Form 10-K.

8. *Risk Assessment and Risk Management.* The Committee shall discuss with management, the internal auditors and the independent auditors the Company's policies and procedures with respect to the process governing risk assessment and risk management. The Committee shall discuss with management the Company's major financial, reporting and disclosure risk exposures and the steps management has taken to monitor and control such exposures. The Committee shall regularly review the Company's cybersecurity and other information technology risks, controls and procedures, including those related to data privacy and network security, and any specific cybersecurity issues that could affect the adequacy of the Company's internal controls.

9. *Review of Disclosure Controls and Procedures.* The Committee will review and discuss the Company's disclosure controls and procedures, and the quarterly assessments of such controls and procedures by the Company's principal executive officer and principal financial officer. The Committee shall also review disclosures regarding the Company's internal control over financial reporting made to the Committee by the Company's principal executive officer and principal financial officer during their certification process for the Form 10-K and Form 10-Q about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company's internal controls.

10. *Oversight of Internal Audit Function, Review of the Internal Audit Plan and Performance and Communications with the Internal Auditor.* The Committee shall review the appointment, termination or replacement of the senior internal audit executive or firm. The Committee shall, at least annually, review the overall scope and budget for, including the adequacy of staffing and other factors that may affect the effectiveness of the internal audits, and approve the internal audit plan submitted by the senior internal audit executive or firm and any material changes thereto. The Committee shall also review the significant reports to management prepared by the internal audit department and management's responses to such reports. In addition, the Committee shall, at least annually, review and reassess the adequacy of the Company's Internal Audit Charter and approve any proposed changes.

11. *Review and Approval of Related Party Transactions and Review of Related Party Transaction Policy and Procedures.* The Committee shall review and approve related party transactions as required and in accordance with the Company's Related Party Transaction Policy and Procedures. In addition, the Committee shall, at least annually, review and reassess the adequacy of the Company's Related Party Transaction Policy and Procedures and recommend any proposed changes to the Board for approval.

12. *Confirmation of Independent Auditor Partner Rotation.* The Committee shall confirm with the independent auditors that the independent auditors are in compliance with the partner rotation requirements established by the SEC.

13. *Hiring of Independent Auditor Personnel.* The Committee shall set policies for the Company's hiring of employees or former employees of the independent auditors.

14. *Complaint Procedures.* The Committee shall review and approve procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters. The Committee shall also review and approve procedures for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

15. *Review of Regulatory and Legal Compliance.* Management shall bring to the attention of the Committee and the Committee shall discuss with management and the independent auditors any correspondence with regulators or governmental agencies and any complaints, submissions or published reports that raise material issues regarding the Company's financial statements or accounting policies. The General Counsel of the Company shall bring to the attention of the Committee and the Committee shall discuss with the Company's General Counsel any legal matters that may have a material impact on the financial statements.

16. *Preparation of Report for Inclusion in Proxy Statement.* The Committee shall prepare the report of the Committee required by the rules of the SEC to be included in the Company's annual proxy statement.

17. *Communications with the Board of Directors.* The Chair shall report to the Board regarding the activities of the Committee at appropriate times and as otherwise requested by the Chairman of the Board. The Committee shall also review with the Board any issues that arise with respect to the quality or integrity of the Company's financial statements, the performance and independence of the Company's independent auditors, the performance of the internal audit function, and the Company's compliance with legal or regulatory requirements.

18. *Annual Performance Evaluation.* The Committee shall annually evaluate its own performance and report to the Board. The Committee shall conduct such evaluation and review in such manner it deems appropriate.

19. *Annual Charter Evaluation.* The Committee shall review and reassess this Charter at least annually and submit any recommended changes to the Board for approval.

20. *Code of Ethics.* The Committee shall oversee implementation of and monitor compliance with the Code of Ethics.

21. *Outside Advisors.* The Committee shall have the authority, to the extent it deems appropriate, to retain special legal, accounting or other consultants or advisors to advise the Committee without seeking Board approval. The Company shall provide for appropriate funding, as determined by the Committee, for payment of compensation to the independent auditors for the purpose of rendering or issuing an audit report or performing other audit, review or attest services, for payment of compensation to any advisors employed by the Committee and for ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

#### **IV. Limitation of Committee's Role**

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits, to establish or maintain disclosure controls or procedures, or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the independent auditors. Furthermore, while the Committee is responsible for reviewing the Company's guidelines and policies with respect to risk assessment and management, it is the responsibility of senior management to determine the appropriate level of the Company's exposure to risk.

#### **V. Meetings**

The Committee shall meet as often as it determines advisable to fulfill the Committee's authority and responsibilities listed above. In addition, the Committee shall meet periodically with management, the senior internal auditing executive (or other personnel responsible for the internal audit function) or firm and the independent auditor in separate sessions. Each regularly scheduled quarterly meeting will conclude with an executive session of the Committee absent the members of management. Meetings of the Committee may be called by the Chairman of the Board or the Chair of the Committee upon notice given at least forty-eight hours prior to the meeting, or upon such shorter notice as shall be approved by the Committee. The Chair of the Committee shall be responsible for establishing the agendas for meetings of the Committee. The Chair of the Committee shall designate a secretary for each meeting who shall record minutes of all formal actions of the Committee. A majority of the Committee members, present in person or by phone, shall constitute a quorum. A majority of the members present shall decide any question brought before the Committee except to the extent otherwise required by the

Company's certificate of incorporation or bylaws. The Committee may act by written consent to the extent permitted by and in accordance with the bylaws of the Company.

Any non-management director who is not a member of the Committee may ask the Chair of the Committee to extend an invitation to such director to attend and observe one or more meetings of the Committee. The Chair may extend or decide not to extend such an invitation in his or her sole discretion. In the event that such director is invited to and does attend a meeting of the Committee, such director shall not participate in any discussion or deliberation unless invited to do so by the Committee, and in any event shall not be entitled to vote. The Committee may, at its discretion, include in its meetings members of the Company's management, or any other person whose presence the Committee believes to be desirable and appropriate. Notwithstanding the foregoing, the Committee may exclude from its meetings, or any portion thereof, any person it deems appropriate, including but not limited to, any non-management director who is not a member of the Committee.

## **VI. Delegation of Duties**

The Committee may delegate its authority to the Chair of the Committee when it deems appropriate and in the best interests of the Company.

In fulfilling its responsibilities, the Committee shall be entitled to delegate any or all of its responsibilities to a subcommittee of the Committee, to the extent consistent with the Company's certificate of incorporation, bylaws and applicable law.

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