

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
FORM 10-Q**

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

For the quarterly period ended June 30, 2024

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: 001-32514

**DIAMONDROCK HOSPITALITY COMPANY**

(Exact Name of Registrant as Specified in Its Charter)

Maryland  
(State of Incorporation)

20-1180098  
(I.R.S. Employer Identification No.)

2 Bethesda Metro Center, Suite 1400, Bethesda, Maryland  
(Address of Principal Executive Offices)

20814  
(Zip Code)

(240) 744-1150  
(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, \$0.01 par value per share	DRH	New York Stock Exchange
8.250% Series A Cumulative Redeemable Preferred Stock, \$0.01 par value per share	DRH Pr A	New York Stock Exchange

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

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

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

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company   
Emerging growth company

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

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

The registrant had 207,257,610 shares of its \$0.01 par value common stock outstanding as of August 2, 2024.

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**PART I. FINANCIAL INFORMATION****Item I. Financial Statements****DIAMONDROCK HOSPITALITY COMPANY****CONSOLIDATED BALANCE SHEETS**

(In thousands, except share and per share amounts)

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
<b>ASSETS</b>		
Property and equipment, net	\$ 2,734,626	\$ 2,755,195
Right-of-use assets	96,823	97,692
Restricted cash	45,205	45,576
Due from hotel managers	171,793	144,689
Prepaid and other assets	74,986	73,940
Cash and cash equivalents	125,219	121,595
Total assets	<b>\$ 3,248,652</b>	<b>\$ 3,238,687</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Liabilities:</b>		
Debt, net of unamortized debt issuance costs	1,172,479	1,177,005
Lease liabilities	113,779	112,866
Due to hotel managers	131,683	116,522
Deferred rent	71,554	69,209
Unfavorable contract liabilities, net	59,037	59,866
Accounts payable and accrued expenses	36,887	39,563
Distributions declared and unpaid	6,067	6,324
Deferred income related to key money, net	8,134	8,349
Total liabilities	1,599,620	1,589,704
<b>Equity:</b>		
Preferred stock, \$0.01 par value; 10,000,000 shares authorized: 8.250% Series A Cumulative Redeemable Preferred Stock (liquidation preference \$25.00 per share), 4,760,000 shares issued and outstanding at June 30, 2024 and December 31, 2023	48	48
Common stock, \$0.01 par value; 400,000,000 shares authorized; 207,918,179 and 209,627,197 shares issued and outstanding at June 30, 2024 and December 31, 2023, respectively	2,079	2,096
Additional paid-in capital	2,274,223	2,291,297
Accumulated other comprehensive loss	(2,077)	(2,036)
Distributions in excess of earnings	(633,919)	(649,330)
Total stockholders' equity	1,640,354	1,642,075
Noncontrolling interests	8,678	6,908
Total equity	1,649,032	1,648,983
Total liabilities and equity	<b>\$ 3,248,652</b>	<b>\$ 3,238,687</b>

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

**DIAMONDROCK HOSPITALITY COMPANY**

**CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME**

(In thousands, except per share amounts)

(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
<b>Revenues:</b>				
Rooms	\$ 203,487	\$ 197,318	\$ 366,994	\$ 357,991
Food and beverage	78,111	68,369	146,492	128,146
Other	27,682	25,560	52,217	48,663
Total revenues	309,280	291,247	565,703	534,800
<b>Operating Expenses:</b>				
Rooms	47,585	45,116	91,553	85,319
Food and beverage	50,717	45,908	97,956	89,058
Other departmental and support expenses	67,817	65,445	132,417	127,413
Management fees	8,008	6,885	13,318	11,873
Franchise fees	10,567	9,403	19,593	17,480
Other property-level expenses	27,188	26,934	53,806	51,051
Depreciation and amortization	27,873	27,840	56,186	55,312
Impairment losses	—	941	—	941
Corporate expenses	28,519	8,284	37,423	16,151
Business interruption insurance income	—	(110)	—	(110)
Total operating expenses, net	268,274	236,646	502,252	454,488
Interest expense	16,202	15,567	32,448	32,739
Interest (income) and other (income) expense, net	(1,195)	(522)	(2,264)	(945)
Total other expenses, net	15,007	15,045	30,184	31,794
<b>Income before income taxes</b>	25,999	39,556	33,267	48,518
Income tax expense	(1,368)	(422)	(278)	(196)
<b>Net income</b>	24,631	39,134	32,989	48,322
Less: Net income attributable to noncontrolling interests	(101)	(169)	(131)	(201)
<b>Net income attributable to the Company</b>	24,530	38,965	32,858	48,121
Distributions to preferred stockholders	(2,454)	(2,454)	(4,908)	(4,908)
<b>Net income attributable to common stockholders</b>	\$ 22,076	\$ 36,511	\$ 27,950	\$ 43,213
<b>Earnings per share:</b>				
Earnings per share available to common stockholders—basic	\$ 0.10	\$ 0.17	\$ 0.13	\$ 0.20
Earnings per share available to common stockholders—diluted	\$ 0.10	\$ 0.17	\$ 0.13	\$ 0.20

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

## DIAMONDROCK HOSPITALITY COMPANY

## CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME - (CONTINUED)

(In thousands, except per share amounts)

(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
<b>Comprehensive Income:</b>				
Net income	\$ 24,631	\$ 39,134	\$ 32,989	\$ 48,322
Other comprehensive income:				
Unrealized (loss) gain on interest rate derivative instruments	(1,354)	3,467	(394)	3,383
Unrealized gain on Rabbi Trust assets	53	210	352	447
Comprehensive income	23,330	42,811	32,947	52,152
Comprehensive income attributable to noncontrolling interests	(100)	(151)	(134)	(183)
Comprehensive income attributable to the Company	\$ 23,230	\$ 42,660	\$ 32,813	\$ 51,969

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

**DIAMONDROCK HOSPITALITY COMPANY**

**CONSOLIDATED STATEMENTS OF EQUITY**  
(In thousands, except share and per share amounts)  
(Unaudited)

	Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Distributions in Excess of Earnings	Total Stockholders' Equity	Noncontrolling Interests	Total Equity
	Shares	Par Value	Shares	Par Value						
Balance at December 31, 2023	4,760,000	\$ 48	209,627,197	\$ 2,096	\$2,291,297	\$ (2,036)	\$ (649,330)	\$ 1,642,075	\$ 6,908	\$1,648,983
Net income	—	—	—	—	—	—	8,328	8,328	30	8,358
Unrealized gain on interest rate derivative instruments	—	—	—	—	—	957	—	957	3	960
Unrealized gain on Rabbi Trust assets	—	—	—	—	—	298	—	298	1	299
Distributions on common stock/units (\$0.03 per common share/unit)	—	—	—	—	—	—	(6,301)	(6,301)	(31)	(6,332)
Distributions on preferred stock (\$0.5156 per preferred share)	—	—	—	—	—	—	(2,454)	(2,454)	—	(2,454)
Share-based compensation	—	—	753,860	7	1,895	—	—	1,902	433	2,335
Shares redeemed to satisfy withholdings on vested share based compensation	—	—	(316,624)	(3)	(2,904)	—	—	(2,907)	—	(2,907)
Common stock repurchased and retired	—	—	—	—	—	—	—	—	—	—
Balance at March 31, 2024	4,760,000	\$ 48	210,064,433	\$ 2,100	\$2,290,288	\$ (781)	\$ (649,757)	\$ 1,641,898	\$ 7,344	\$1,649,242
Net income	—	—	—	—	—	—	24,530	24,530	101	24,631
Unrealized loss on interest rate derivative instruments	—	—	—	—	—	(1,349)	—	(1,349)	(5)	(1,354)
Unrealized gain on Rabbi Trust assets	—	—	—	—	—	53	—	53	—	53
Distributions on common stock/units (\$0.03 per common share/unit)	—	—	—	—	—	—	(6,238)	(6,238)	(34)	(6,272)
Distributions on preferred stock (\$0.5156 per preferred share)	—	—	—	—	—	—	(2,454)	(2,454)	—	(2,454)
Share-based compensation	—	—	503,457	5	6,250	—	—	6,255	1,272	7,527
Shares redeemed to satisfy withholdings on vested share based compensation	—	—	(195,404)	(2)	(1,729)	—	—	(1,731)	—	(1,731)
Common stock repurchased and retired	—	—	(2,454,307)	(24)	(20,586)	—	—	(20,610)	—	(20,610)
Balance at June 30, 2024	4,760,000	\$ 48	207,918,179	\$ 2,079	\$2,274,223	\$ (2,077)	\$ (633,919)	\$ 1,640,354	\$ 8,678	\$1,649,032

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	Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income	Distributions in Excess of Earnings	Total Stockholders' Equity	Noncontrolling Interests	Total Equity
	Shares	Par Value	Shares	Par Value						
Balance at December 31, 2022	4,760,000	\$ 48	209,374,830	\$ 2,094	\$2,288,433	—	\$ (700,694)	\$ 1,589,881	\$ 6,297	\$1,596,178
Net income	—	—	—	—	—	—	9,156	9,156	32	9,188
Unrealized loss on interest rate derivative instruments	—	—	—	—	—	(84)	—	(84)	—	(84)
Unrealized gain on Rabbi Trust assets	—	—	—	—	—	237	—	237	—	237
Distributions on common stock/units (\$0.03 per common share/unit)	—	—	—	—	—	—	(6,295)	(6,295)	(32)	(6,327)
Distributions on preferred stock (\$0.5156 per preferred share)	—	—	—	—	—	—	(2,454)	(2,454)	—	(2,454)
Share-based compensation	—	—	804,541	—	1,827	—	—	1,827	140	1,967
Shares redeemed to satisfy withholdings on vested share based compensation	—	—	(333,779)	6	(3,029)	—	—	(3,023)	—	(3,023)
Common stock repurchased and retired	—	—	(56,400)	(2)	(407)	—	—	(409)	—	(409)
Balance at March 31, 2023	4,760,000	\$ 48	209,789,192	\$ 2,098	\$2,286,824	\$ 153	\$ (700,287)	\$ 1,588,836	\$ 6,437	\$1,595,273
Net income	—	—	—	—	—	—	38,965	38,965	169	39,134
Unrealized gain on interest rate derivative instruments	—	—	—	—	—	3,467	—	3,467	—	3,467
Unrealized gain on Rabbi Trust assets	—	—	—	—	—	210	—	210	—	210
Distributions on common stock/units (\$0.03 per common share/unit)	—	—	—	—	—	—	(6,287)	(6,287)	(32)	(6,319)
Distributions on preferred stock (\$0.5156 per preferred share)	—	—	—	—	—	—	(2,454)	(2,454)	—	(2,454)
Share-based compensation	—	—	62,500	—	2,535	—	—	2,535	225	2,760
Common stock repurchased and retired	—	—	(262,054)	(3)	(2,011)	—	—	(2,014)	—	(2,014)
Balance at June 30, 2023	4,760,000	\$ 48	209,589,638	\$ 2,095	\$2,287,348	\$ 3,830	\$ (670,063)	\$ 1,623,258	\$ 6,799	\$1,630,057

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



**DIAMONDROCK HOSPITALITY COMPANY**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(In thousands)  
(Unaudited)

	<b>Six Months Ended June 30,</b>	
	<b>2024</b>	<b>2023</b>
<b>Cash flows from operating activities:</b>		
Net income	\$ 32,989	\$ 48,322
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	56,186	55,312
Corporate asset depreciation as corporate expenses	67	99
Non-cash lease expense and other amortization	3,073	3,087
Non-cash interest rate swap fair value adjustment	—	2,033
Amortization of debt issuance costs	1,026	1,026
Impairment losses	—	941
Amortization of deferred income related to key money	(215)	(215)
Share-based compensation	9,862	4,727
Changes in assets and liabilities:		
Prepaid expenses and other assets	(2,266)	(5,940)
Due to/from hotel managers	(11,942)	8,540
Accounts payable and accrued expenses	(1,827)	(3,508)
<b>Net cash provided by operating activities</b>	<b>86,953</b>	<b>114,424</b>
<b>Cash flows from investing activities:</b>		
Capital expenditures	(35,778)	(47,928)
Acquisition of interest in land	—	(1,829)
Purchase deposits	—	(1,500)
<b>Net cash used in investing activities</b>	<b>(35,778)</b>	<b>(51,257)</b>
<b>Cash flows from financing activities:</b>		
Scheduled mortgage debt principal payments	(4,905)	(4,744)
Distributions on common stock and units	(12,861)	(19,156)
Distributions on preferred stock	(4,908)	(4,908)
Repurchase of common stock	(20,610)	(2,423)
Shares redeemed to satisfy tax withholdings on vested share-based compensation	(4,638)	(3,023)
<b>Net cash used in financing activities</b>	<b>(47,922)</b>	<b>(34,254)</b>
Net increase in cash, cash equivalents, and restricted cash	3,253	28,913
Cash, cash equivalents, and restricted cash at beginning of period	167,171	107,178
Cash, cash equivalents, and restricted cash at end of period	<b>\$ 170,424</b>	<b>\$ 136,091</b>

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

## DIAMONDROCK HOSPITALITY COMPANY

## CONSOLIDATED STATEMENTS OF CASH FLOWS - (CONTINUED)

(In thousands)  
(Unaudited)

## Supplemental Disclosure of Cash Flow Information:

	Six Months Ended June 30,	
	2024	2023
Cash paid for interest	\$ 31,605	\$ 29,314
Cash paid for income taxes, net	\$ 2,351	\$ 1,833
<b>Non-cash investing and financing activities:</b>		
Unpaid dividends and distributions declared	\$ 6,067	\$ 6,437
Accrued capital expenditures	\$ 4,043	\$ 6,153

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the consolidated balance sheets to the amount shown within the consolidated statements of cash flows:

	June 30, 2024	December 31, 2023
Cash and cash equivalents	\$ 125,219	\$ 121,595
Restricted cash	45,205	45,576
Total cash, cash equivalents and restricted cash	\$ 170,424	\$ 167,171

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

**DIAMONDROCK HOSPITALITY COMPANY****Notes to the Consolidated Financial Statements  
(Unaudited)****1. Organization**

DiamondRock Hospitality Company (the “Company” or “we”) is a lodging-focused real estate company that owns a portfolio of premium hotels and resorts. As of June 30, 2024, we owned 36 hotels with 9,760 guest rooms. Our hotels are concentrated in major urban markets and in destination resort locations and more than 60% of our hotels are operated under a brand owned by one of the leading global lodging brand companies (Marriott International, Inc., Hilton Worldwide, or IHG Hotels & Resorts). We are an owner, as opposed to an operator, of the hotels in our portfolio. As an owner, we receive all of the operating profits or losses generated by our hotels after we pay fees to the hotel managers and hotel brands, which are based on the revenues and profitability of the hotels.

We are a real estate investment trust (“REIT”) for U.S. federal income tax purposes. We conduct our business through a traditional umbrella partnership real estate investment trust, or UPREIT, in which our hotel properties are owned by our operating partnership, DiamondRock Hospitality Limited Partnership, or subsidiaries of our operating partnership. The Company is the sole general partner of our operating partnership and owned 99.5% of the limited partnership units (“common OP units”) of our operating partnership as of June 30, 2024. The remaining 0.5% of the common OP units are held by third parties and executive officers of the Company. See Note 7 for additional disclosures related to common OP units.

**2. Summary of Significant Accounting Policies***Basis of Presentation*

The accompanying unaudited interim consolidated financial statements and related notes have been prepared in accordance with United States Generally Accepted Accounting Principles (“U.S. GAAP”). We have condensed or omitted certain disclosures normally included in annual financial statements presented in accordance with U.S. GAAP; however, we believe the disclosures made are adequate to prevent the information presented from being misleading. These financial statements should be read in conjunction with the consolidated financial statements and notes thereto in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023. Interim results are not necessarily indicative of full-year performance, as a result of the impact of seasonal and other short-term variations and the acquisitions and or dispositions of hotel properties.

*Use of Estimates*

The preparation of the financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**3. Property and Equipment**

Property and equipment consists of the following (in thousands):

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Land	\$ 590,824	\$ 590,824
Land improvements	7,994	7,994
Buildings and site improvements	2,899,209	2,878,508
Furniture, fixtures and equipment	570,551	561,484
Construction in progress	26,561	21,175
	<u>4,095,139</u>	<u>4,059,985</u>
Less: accumulated depreciation	<u>(1,360,513)</u>	<u>(1,304,790)</u>
	<u>\$ 2,734,626</u>	<u>\$ 2,755,195</u>

As of June 30, 2024 and December 31, 2023, we had accrued capital expenditures of \$4.0 million and \$4.7 million, respectively.

#### 4. Debt

The following table sets forth information regarding the Company's debt (dollars in thousands):

Loan	Interest Rate as of June 30, 2024	Maturity Date	Principal Balance as of	
			June 30, 2024	December 31, 2023
Courtyard New York Manhattan/Midtown East mortgage loan	4.40%	August 2024	\$ 73,416	\$ 74,346
Worthington Renaissance Fort Worth Hotel mortgage loan	3.66%	May 2025	72,756	73,727
Hotel Clio mortgage loan	4.33%	July 2025	55,382	56,091
Westin Boston Seaport District mortgage loan	4.36%	November 2025	171,731	174,025
Unsecured term loan	SOFR + 1.35% <sup>(1)</sup>	January 2028	500,000	500,000
Unsecured term loan	SOFR + 1.35% <sup>(1)</sup>	January 2025 <sup>(2)</sup>	300,000	300,000
Senior unsecured credit facility	SOFR + 1.40%	September 2026 <sup>(2)</sup>	—	—
Total debt			1,173,285	1,178,189
Unamortized debt issuance costs <sup>(3)</sup>			(806)	(1,184)
Debt, net of unamortized debt issuance costs			\$ 1,172,479	\$ 1,177,005
Weighted-Average Interest Rate <sup>(4)</sup>	5.22%			

(1) Interest rate as of June 30, 2024 was 6.80%, which excludes the effect of interest rate swaps.

(2) Maturity date may be extended for an additional year upon the payment of applicable fees and the satisfaction of certain customary conditions.

(3) Excludes debt issuance costs related to our senior unsecured credit facility, which are included within Prepaid and Other Assets on the accompanying consolidated balance sheet.

(4) Weighted-average interest rate as of June 30, 2024 includes the effect of interest rate swaps. See Note 5 for additional disclosures on interest rate swaps.

#### *Mortgage Debt*

We have incurred limited recourse, property specific mortgage debt secured by certain of our hotels. In the event of default, the lender may only foreclose on the secured assets; however, in the event of fraud, misapplication of funds or other customary recourse provisions, the lender may seek payment from us. As of June 30, 2024, four of our 36 hotels were secured by mortgage debt. We have one mortgage loan that matures on August 6, 2024, which has a principal balance of \$73.4 million as of June 30, 2024. We intend to repay this mortgage loan using cash on hand. We intend to refinance the other mortgage loans that mature in 2025 as they approach their respective maturity dates. In the case that refinancing options are not attractive, we may repay such mortgage loans using our senior unsecured revolving credit facility.

Our mortgage debt contains certain property specific covenants and restrictions, including minimum debt service coverage ratios or debt yields that trigger "cash trap" provisions, as well as restrictions on incurring additional debt without lender consent. Such cash trap provisions are triggered when the hotel's operating results fall below a certain debt service coverage ratio or debt yield. When these provisions are triggered, all of the excess cash flow generated by the hotel is deposited directly into cash management accounts for the benefit of our lenders until a specified debt service coverage ratio or debt yield is reached and maintained for a certain period of time. Such provisions do not provide the lender the right to accelerate repayment of the underlying debt. We had no cash trapped as of June 30, 2024 and December 31, 2023.

#### *Senior Unsecured Credit Facility and Unsecured Term Loans*

We are party to a Sixth Amended and Restated Credit Agreement (the "Credit Agreement") that provides us with a \$400 million senior unsecured revolving credit facility and two term loan facilities in the aggregate amount of \$800 million. The revolving credit facility matures on September 27, 2026, which we may extend for an additional year upon the payment of applicable fees and satisfaction of certain standard conditions. The term loan facilities consist of a \$500 million term loan that matures on January 3, 2028 and a \$300 million term loan that matures January 3, 2025. The maturity date of the \$300 million term loan may be extended for an additional year upon the payment of applicable fees and satisfaction of certain standard

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conditions. We intend to exercise our right to extend our \$300 million term loan an additional year. We have the right to increase the aggregate amount of the facilities to \$1.4 billion upon the satisfaction of certain standard conditions.

Interest is paid on the periodic advances on the revolving credit facility and amounts outstanding on the term loans at varying rates, based upon the adjusted Secured Overnight Financing Rate (“SOFR”), as defined in the Credit Agreement, plus an applicable margin. The applicable margin is based upon our leverage ratio, as follows:

Leverage Ratio	Applicable Margin for Revolving Loans	Applicable Margin for Term Loans
Less than 30%	1.40%	1.35%
Greater than or equal to 30% but less than 35%	1.45%	1.40%
Greater than or equal to 35% but less than 40%	1.50%	1.45%
Greater than or equal to 40% but less than 45%	1.60%	1.55%
Greater than or equal to 45% but less than 50%	1.80%	1.75%
Greater than or equal to 50% but less than 55%	1.95%	1.85%
Greater than or equal to 55%	2.25%	2.20%

The Credit Agreement contains various financial covenants. A summary of the most significant covenants is as follows:

	Covenant	Actual at June 30, 2024
Maximum leverage ratio <sup>(1)</sup>	60%	29.0%
Minimum fixed charge coverage ratio <sup>(2)</sup>	1.50x	2.92x
Secured recourse indebtedness	Less than 45% of Total Asset Value	11.3%
Maximum unencumbered leverage ratio	60%	30.4%
Minimum unencumbered implied debt service coverage ratio	1.20x	2.49x

(1) Leverage ratio is net indebtedness, as defined in the Credit Agreement, divided by total asset value, defined in the Credit Agreement as the value of our owned hotels based on hotel net operating income divided by a defined capitalization rate.

(2) Fixed charge coverage ratio is Adjusted EBITDA, generally defined in the Credit Agreement as EBITDA less FF&E reserves, for the most recently ending 12 months, to fixed charges, which is defined in the Credit Agreement as interest expense, all regularly scheduled principal payments and payments on capitalized lease obligations, for the same most recently ending 12-month period.

The components of the Company's interest expense consisted of the following (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Mortgage debt interest	\$ 4,009	\$ 4,111	\$ 8,044	\$ 8,202
Unsecured term loan interest	11,368	10,608	22,755	20,848
Credit facility interest and unused fees	312	317	623	630
Amortization of debt issuance costs and debt premium	513	512	1,026	1,026
Interest rate swap mark-to-market	—	19	—	2,033
	<u>\$ 16,202</u>	<u>\$ 15,567</u>	<u>\$ 32,448</u>	<u>\$ 32,739</u>

## 5. Derivatives

The Company had the following derivatives that were designated as cash flow hedges of interest rate risk (in thousands):

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Hedged Debt	Type	Fixed Rate	Index	Effective Date	Maturity Date	Notional Amount	Fair Value of Assets	
							June 30, 2024	December 31, 2023
Senior unsecured term loans	Swap <sup>(1)</sup>	1.63 %	SOFR	November 28, 2022	July 25, 2024	\$ 87,500	216	1,660
Senior unsecured term loans	Swap <sup>(1)</sup>	1.63 %	SOFR	November 28, 2022	July 25, 2024	\$ 87,500	216	1,658
Senior unsecured term loans	Swap	3.36 %	SOFR	March 1, 2023	January 1, 2028	\$ 75,000	1,958	554
Senior unsecured term loans	Swap	3.50 %	SOFR	March 1, 2023	January 1, 2027	\$ 75,000	1,537	449
							\$ 3,927	\$ 4,321

(1) Swap was designated as cash flow hedge as of April 1, 2023.

Interest rate swaps designated as cash flow hedges involve the receipt of variable-rate amounts from a counterparty in exchange for the Company making fixed-rate payments over the life of the agreements without exchange of the underlying notional amount. During 2024, such derivatives were used to hedge the variable cash flows associated with variable-rate debt.

The table below details the location in the consolidated financial statements of the gains and losses recognized related to derivative financial instruments (in thousands):

Effect of derivative instruments	Location in Statements of Operations and Comprehensive Income	Three Months Ended June 30,		Six Months Ended June 30,	
		2024	2023	2024	2023
Loss (gain) recognized in other comprehensive income	Unrealized loss (gain) on interest rate derivative instruments	\$ 1,355	\$ (3,467)	\$ 394	\$ (3,383)
Interest (income) for derivatives that were designated as cash flow hedges	Interest expense	\$ (2,351)	\$ (2,395)	\$ (4,708)	\$ (2,542)
Interest (income) expense for derivatives that were not designated as cash flow hedges	Interest expense	\$ —	\$ —	\$ —	\$ 469

During the next twelve months, the Company estimates that \$2.3 million will be reclassified from other comprehensive income as a decrease to interest expense.

## 6. Fair Value Measurements

The fair value of certain financial assets and liabilities and other financial instruments are as follows (in thousands):

	June 30, 2024		December 31, 2023	
	Carrying Amount <sup>(1)</sup>	Fair Value	Carrying Amount <sup>(1)</sup>	Fair Value
Debt	\$ 1,172,479	\$ 1,167,671	\$ 1,177,005	\$ 1,167,638

(1) The carrying amount of debt is net of unamortized debt issuance costs.

The fair value of our debt is a Level 2 measurement under the fair value hierarchy. We estimate the fair value of our debt by discounting the future cash flows of each instrument at estimated market rates.

The fair value of our interest rate swaps is a Level 2 measurement under the fair value hierarchy. We estimate the fair value of the interest rate swaps based on the interest rate yield curve and implied market volatility as inputs and adjusted for the counterparty's credit risk. We concluded the inputs for the credit risk valuation adjustment are Level 3 inputs; however these inputs are not significant to the fair value measurement in its entirety.

The fair values of our other financial instruments not included in the table above are estimated to be equal to their carrying amount.

## 7. Equity

### ***Common Shares***

We are authorized by our charter to issue up to 400 million shares of common stock, \$0.01 par value per share. Each outstanding share of common stock entitles the holder to one vote on all matters submitted to a vote of stockholders. Holders of our common stock are entitled to receive dividends out of assets legally available for the payment of dividends when authorized by our board of directors.

We maintain an “at-the-market” equity offering program (the “ATM Program”), pursuant to which we may issue and sell shares of our common stock from time to time, having an aggregate offering price of up to \$200.0 million. We have not sold any shares under the ATM Program, which is scheduled to expire pursuant to its terms on August 6, 2024. We expect to replace the ATM Program prior to its expiration.

In May 2024, our board of directors authorized the repurchase of up to \$200.0 million of our common stock under a new share repurchase program, which replaced our prior share repurchase program that was authorized in September 2022. The timing and actual number of shares repurchased will depend on a variety of factors, including price and general business and market conditions. The new share repurchase program does not obligate us to acquire any particular amount of shares, and may be suspended or discontinued at any time at our discretion. The new share repurchase program will expire on May 1, 2026. As of June 30, 2024, we repurchased 2,454,307 shares of common stock at an average price of \$8.39 per share for a total purchase price of \$20.6 million under this program. Subsequent to June 30, 2024, we repurchased 660,569 shares at an average price of \$8.14 per share for a total purchase price of \$5.4 million. As of August 2, 2024, we have \$174.0 million of authorized capacity remaining under the new share repurchase program. All share repurchases during the year were made under the new share repurchase program.

### ***Preferred Shares***

We are authorized by our charter to issue up to 10 million shares of preferred stock, \$0.01 par value per share. Our board of directors is required to set for each class or series of preferred stock the terms, preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends or other distributions, qualifications, and terms or conditions of redemption.

As of June 30, 2024 and December 31, 2023, there were 4,760,000 shares of 8.250% Series A Cumulative Redeemable Preferred Stock (“Series A Preferred Stock”) issued and outstanding with a liquidation preference each of \$25.00 per share. On or after August 31, 2025, the Series A Preferred Stock will be redeemable at the Company's option, in whole or in part, at any time or from time to time, for cash at a redemption price of \$25.00 per share, plus accrued and unpaid dividends up to, but not including, the redemption date.

### ***Operating Partnership Units***

In connection with our acquisition of Cavallo Point in December 2018, we issued 796,684 common OP units to third parties, otherwise unaffiliated with the Company, then valued at \$11.76 per unit. Each common OP unit is redeemable at the option of the holder. Holders of common OP units have certain redemption rights, which enable them to cause our operating partnership to redeem their units in exchange for cash per unit equal to the market price of our common stock, at the time of redemption, or, at our option, for shares of our common stock on a one-for-one basis, subject to adjustment upon the occurrence of stock splits, mergers, consolidations or similar pro-rata share transactions.

Long-Term Incentive Partnership units (“LTIP units”), which are also referred to as profits interest units, may be issued to eligible participants under the 2024 Equity Incentive Plan for the performance of services to or for the benefit of our operating partnership. LTIP units are a class of partnership unit in our operating partnership and will receive, whether vested or not, the same per-unit distributions as the outstanding common OP units, which equal per-share dividends on shares of our common stock. Initially, LTIP units have a capital account balance of zero, do not receive an allocation of operating income (loss), and do not have full parity with common OP units with respect to liquidating distributions. If such parity is reached, vested LTIP units are converted into an equal number of common OP units, and thereafter will possess all of the rights and interests of common OP units, including the right to exchange the common OP units for cash per unit equal to the market price of our common stock, at the time of redemption, or, at our option, for shares of our common stock on a one-for-one basis, subject to adjustment upon the occurrence of stock splits, mergers, consolidations or similar pro-rata share transactions. See Note 8 for additional disclosures related to LTIP units.

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There were 980,436 and 723,166 common OP units held by unaffiliated third parties and executive officers of the Company as of June 30, 2024 and December 31, 2023, respectively. There were 154,344 and 314,137 unvested LTIP units outstanding as of June 30, 2024 and December 31, 2023, respectively.

### *Dividends and Distributions*

For each of the six months ended June 30, 2024 and 2023, we paid an aggregate cash dividend of \$0.06 per share or unit to holders of our common stock, common OP units, and LTIP units.

For each of the six months ended June 30, 2024 and 2023, we paid an aggregate cash dividend of \$1.0313 per share to holders of our Series A Preferred Stock.

### **8. Equity Incentive Plans**

On February 27, 2024, our board of directors adopted the 2024 Equity Incentive Plan (the "2024 Plan"). The 2024 Plan was approved by our stockholders on May 1, 2024. The 2024 Plan replaces the 2016 Equity Incentive Plan (as amended, the "2016 Plan") and share grants will no longer be made under the 2016 Plan; however, shares underlying awards already granted under the 2016 Plan will still be issued under the 2016 Plan if the awards vest. Under the 2024 Plan, we are authorized to issue up to 7,900,000 shares of our common stock, of which we have issued or committed to issue 1,068,419 shares as of June 30, 2024. Shares underlying awards that are granted under the 2024 Plan that are forfeited, cancelled, reacquired prior to vesting, satisfied without the issuance of stock or otherwise terminated (other than by exercise), including shares tendered or held back upon settlement of an award, other than a stock option or stock appreciation right, to cover the tax withholding will be added back to the shares available for issuance under the 2024 Plan.

#### *Restricted Stock Awards*

Restricted stock awards issued to our officers and employees generally vest over a three to five year period from the date of grant based on continued employment. We measure compensation expense for the restricted stock awards based upon the fair market value of our common stock at the date of grant. Compensation expense is recognized on a straight-line basis over the vesting period and is included in corporate expenses in the accompanying consolidated statements of operations and comprehensive income. A summary of our restricted stock awards from January 1, 2024 to June 30, 2024 is as follows:

	Number of Shares	Weighted- Average Grant Date Fair Value
Unvested balance at January 1, 2024	1,200,693	\$ 9.33
Granted	335,438	8.72
Vested	(912,544)	9.37
Unvested balance at June 30, 2024	<u>623,587</u>	<u>\$ 8.94</u>

The total unvested restricted stock awards as of June 30, 2024 are expected to vest as follows: 28,474 shares during 2024, 245,444 shares during 2025, 236,859 shares during 2026, 106,101 shares during 2027, and 6,709 shares during 2028. As of June 30, 2024, the unrecognized compensation cost related to restricted stock awards was \$4.3 million and the weighted-average period over which the unrecognized compensation expense will be recorded is approximately 27 months. We recorded \$2.9 million and \$3.9 million of compensation expense related to restricted stock awards for the three and six months ended June 30, 2024, respectively, which included \$2.0 million of accelerated compensation expense related to restricted stock awards for the departures of our former Chief Executive Officer and Chief Investment Officer. The accelerated compensation expense is recorded as severance costs in corporate expenses within the consolidated statements of operations and comprehensive income. We recorded \$1.0 million and \$2.1 million of compensation expense related to restricted stock awards for the three and six months ended June 30, 2023, respectively.

#### *Performance Stock Units*

Performance stock units ("PSUs") are restricted stock units that vest three or five years from the date of grant. Each executive officer is granted a target number of PSUs (the "PSU Target Award"). The actual number of shares of common stock issued to each executive officer is based on the Company's achievement of certain performance targets. Under this framework, 50% of the PSUs are based on relative total stockholder return and 50% on hotel market share improvement. The achievement



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of certain levels of total stockholder return relative to the total stockholder return of a peer group of publicly-traded lodging REITs is measured over a three-year performance period. There is no payout of shares of our common stock if our total stockholder return falls below the 30th percentile of the total stockholder returns of the peer group. The maximum number of shares of common stock issued to an executive officer is equal to 150% of the PSU Target Award and is earned if our total stockholder return is equal to or greater than the 75th percentile of the total stockholder returns of the peer group. There are limitations on the number of PSUs earned if the Company's total stockholder return is negative for the performance period. The improvement in market share for each of our hotels is generally measured over a three-year performance period based on a report prepared for each hotel by STR Global, a well-recognized benchmarking service for the hospitality industry. There is no payout of shares of our common stock if the percentage of our hotels with market share improvements is less than 30%. The maximum number of shares of common stock issued to an executive officer is equal to 150% of the PSU Target Award and is earned if the percentage of our hotels with market share improvements is greater than or equal to 75%.

We measure compensation expense for the PSUs based upon the fair market value of the award at the grant date. Compensation expense is recognized on a straight-line basis over the vesting period and is included in corporate expenses in the accompanying consolidated statements of operations and comprehensive income. The grant date fair value of the portion of the PSUs based on our relative total stockholder return is determined using a Monte Carlo simulation performed by a third-party valuation firm. The grant date fair value of the portion of the PSUs based on hotel market share improvement is the closing price of our common stock on the grant date. The determination of the grant-date fair values of outstanding awards based on our relative stockholder return included the following assumptions:

<b>Award Grant Date</b>	<b>Volatility</b>	<b>Risk-Free Rate</b>	<b>Total Stockholder Return PSUs</b>	<b>Hotel Market Share PSUs</b>
March 2, 2021	68.8%	0.26%	\$9.28	\$9.40
February 22, 2022	71.4%	1.74%	\$9.84	\$9.56
August 9, 2022	73.3%	3.20%	\$9.65	\$9.32
February 23, 2023	74.5%	4.40%	\$9.22	\$8.94
May 7, 2024	36.5%	4.64%	\$8.03	\$8.72

A summary of our PSUs from January 1, 2024 to June 30, 2024 is as follows:

	<b>Number of Target Units</b>	<b>Weighted-Average Grant Date Fair Value</b>
Unvested balance at January 1, 2024	1,032,296	\$ 9.34
Granted	364,799	8.36
Additional units from dividends	5,651	9.38
Vested <sup>(1)</sup>	(301,861)	9.32
Unvested balance at June 30, 2024	1,100,885	\$ 9.02

(1) The number of shares of common stock earned for the PSUs vested in 2024 was equal to 95.6% of the PSU Target Award.

The total unvested PSUs as of June 30, 2024 are expected to vest as follows: 330,228 units during 2025, 369,929 units during 2026, and 400,728 units during 2027. The number of shares earned upon vesting is subject to the attainment of the performance goals described above. As of June 30, 2024, the unrecognized compensation cost related to the PSUs was \$3.6 million and is expected to be recognized on a straight-line basis over a weighted average period of 30 months. We recorded \$2.5 million and \$3.4 million of compensation expense related to the PSUs for the three and six months ended June 30, 2024, respectively, which included \$1.8 million of accelerated compensation expense related to PSUs for the departures of our former Chief Executive Officer and Chief Investment Officer. The accelerated compensation expense is recorded as severance costs in corporate expenses within the consolidated statements of operations and comprehensive income. These awards will vest at 100% of the PSU Target Award based on their original vesting schedule. We recorded \$0.8 million and \$1.5 million of compensation expense related to the PSUs for the three and six months ended June 30, 2023, respectively.

### *LTIP Units*

LTIP units are designed to offer executives a long-term incentive comparable to restricted stock, while potentially allowing them a more favorable income tax treatment. Each LTIP unit awarded is deemed equivalent to an award of one share

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of common stock reserved under the 2016 Plan or 2024 Plan, as applicable. At the time of award, LTIP units do not have full economic parity with common OP units, but can achieve such parity over time upon the occurrence of specified events in accordance with partnership tax rules.

A summary of our LTIP units from January 1, 2024 to June 30, 2024 is as follows:

	<b>Number of Units</b>	<b>Weighted- Average Grant Date Fair Value</b>
Unvested balance at January 1, 2024	314,137	\$ 9.01
Granted	97,477	8.72
Vested <sup>(1)</sup>	(257,270)	8.94
Unvested balance at June 30, 2024	<u>154,344</u>	<u>\$ 8.94</u>

(1) As of June 30, 2024, all vested LTIP units have achieved economic parity with common OP units and have been converted to common OP units.

The total unvested LTIP units as of June 30, 2024 are expected to vest as follows: 14,217 during 2024, and 46,709 during each of 2025, 2026, and 2027. As of June 30, 2024, the unrecognized compensation cost related to LTIP unit awards was \$1.2 million and the weighted-average period over which the unrecognized compensation expense will be recorded is approximately 34 months. We recorded \$1.3 million and \$1.8 million of compensation expense related to LTIP unit awards for the three and six months ended June 30, 2024, respectively, which included \$1.2 million of accelerated compensation expense related to LTIPs for the departures of our former Chief Executive Officer and Chief Investment Officer. The accelerated compensation expense is recorded as severance costs in corporate expenses within the consolidated statements of operations and comprehensive income. We recorded \$0.2 million and \$0.4 million of compensation expense related to LTIP unit awards for the three and six months ended June 30, 2023, respectively.

### *Nonemployee director awards*

The Company issues each nonemployee director either (i) fully vested, unrestricted shares of common stock or (ii) Deferred Stock Units (as defined in the 2024 Plan) granting a number of immediately vested but deferred stock units (together, the “nonemployee director awards”). We measure compensation expense for the nonemployee director awards based upon the fair market value of our common stock at the date of grant. Compensation expense is recognized in the period the nonemployee director awards are granted and is included in corporate expenses in the accompanying consolidated statements of operations and comprehensive income.

During the three and six months ended June 30, 2024, we granted a total of 88,305 nonemployee director awards at a grant date fair value of \$8.72. We recorded \$0.8 million of compensation expense related to nonemployee director awards for the three and six months ended June 30, 2024. We recorded \$0.7 million of compensation expense related to nonemployee director awards for the three and six months ended June 30, 2023.

## **9. Earnings Per Share**

The following is a reconciliation of the calculation of basic and diluted earnings per share (“EPS”) (in thousands, except share and per share data):

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	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
<b>Numerator:</b>				
Net income attributable to common stockholders	\$ 22,076	\$ 36,511	\$ 27,950	\$ 43,213
<b>Denominator:</b>				
Weighted-average number of common shares outstanding—basic	211,195,463	211,673,828	211,432,403	211,543,398
Effect of dilutive securities:				
Unvested restricted common stock	120,182	233,614	123,222	247,680
Shares related to unvested PSUs	700,800	254,508	721,190	301,512
Weighted-average number of common shares outstanding—diluted	212,016,445	212,161,950	212,276,815	212,092,590
<b>Earnings per share:</b>				
Earnings per share available to common stockholders—basic	\$ 0.10	\$ 0.17	\$ 0.13	\$ 0.20
Earnings per share available to common stockholders—diluted	\$ 0.10	\$ 0.17	\$ 0.13	\$ 0.20

The common OP units held by the noncontrolling interest holders have been excluded from the denominator of the basic and diluted EPS calculation as there would be no effect on the amounts since the common OP units' share of income or loss would also be added or subtracted to derive net income available to common stockholders.

## 10. Commitments and Contingencies

### *Litigation*

We are subject to various claims, lawsuits and legal proceedings, including routine litigation arising in the ordinary course of business regarding the operation of our hotels and other Company matters. While it is not possible to ascertain the ultimate outcome of such matters, management believes that the aggregate amount of such liabilities, if any, in excess of amounts covered by insurance will not have a material adverse impact on our financial condition or results of operations and comprehensive income. The outcome of claims, lawsuits and legal proceedings brought against the Company, however, is subject to significant uncertainties.

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

*This report contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The Company intends such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 and includes this statement for purposes of complying with these safe harbor provisions. These forward-looking statements are generally identifiable by use of the words "believe," "expect," "intend," "anticipate," "estimate," "project" or similar expressions, whether in the negative or affirmative. Forward-looking statements are based on management's current expectations and assumptions and are not guarantees of future performance. Factors that may cause actual results to differ materially from current expectations include, but are not limited to, the risks discussed herein and the risk factors discussed from time to time in our periodic filings with the Securities and Exchange Commission, including in Part I, Item 1A "Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2023 as updated by our subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. Accordingly, there is no assurance that the Company's expectations will be realized. Except as otherwise required by the federal securities laws, the Company disclaims any obligations or undertaking to publicly release any updates or revisions to any forward-looking statement contained in this report to reflect events, circumstances or changes in expectations after the date of this report.*

*Some of the risks and uncertainties that may cause our actual results, performance or achievements to differ materially from those expressed or implied by forward-looking statements include, among others, the following:*

- negative developments in the economy, including, but not limited to elevated inflation and interest rates, job loss or growth trends, an increase in unemployment or a decrease in corporate earnings and investment;*
- increased competition in the lodging industry and from alternative lodging channels or third party internet intermediaries in the markets in which we own properties;*
- failure to effectively execute our long-term business strategy and successfully identify and complete acquisitions and dispositions;*
- risks and uncertainties affecting hotel management, operations and renovations (including, without limitation, elevated inflation, construction delays, increased construction costs, disruption in hotel operations and the risks associated with our management and franchise agreements);*
- risks associated with the availability and terms of financing and the use of debt to fund acquisitions and renovations or refinance existing indebtedness, including the impact of higher interest rates on the cost and/or availability of financing;*
- risks associated with our level of indebtedness and our ability to satisfy our obligations under our debt agreements;*
- risks associated with the lodging industry overall, including, without limitation, decreases in the frequency of travel and increases in operating costs;*
- risks and uncertainties associated with our obligations under our management agreements;*
- risks associated with natural disasters and other unforeseen catastrophic events;*
- the adverse impact of any future pandemic, epidemic or outbreak of any highly infectious disease on the U.S., regional and global economies, travel, the hospitality industry, and on our financial condition and results of operations and our hotels;*
- costs of compliance with government regulations, including, without limitation, the Americans with Disabilities Act;*
- potential liability for uninsured losses and environmental contamination;*
- risks associated with security breaches through cyber-attacks or otherwise, as well as other significant disruptions of our and our hotel managers' information technologies and systems, which support our operations and those of our hotel managers;*
- risks associated with our potential failure to maintain our qualification as a real estate investment trust ("REIT") under the Internal Revenue Code of 1986, as amended (the "Code");*
- possible adverse changes in tax and environmental laws; and*
- risks associated with our dependence on key personnel whose continued service is not guaranteed.*

### Overview

DiamondRock Hospitality Company is a lodging-focused Maryland corporation operating as a REIT for U.S. federal income tax purposes. As of June 30, 2024, we owned a portfolio of 36 premium hotels and resorts that contain 9,760 guest rooms located in 25 different markets in the United States. The markets that we target are those that we believe align with our strategic objectives, which include investing in assets in destination markets with constrained supply trends, those that provide geographic diversity relative to our existing portfolio, and those markets that are considered to have high growth potential.

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As an owner, rather than an operator, of lodging properties, we receive all of the operating profits or losses generated by our hotels after the payment of fees due to hotel managers and hotel brands, which are calculated based on the revenues and profitability of each hotel.

Our strategy is to apply aggressive asset management, prudent financial strategy, and disciplined capital allocation to high quality lodging properties in North American urban and resort markets with superior growth prospects and high barriers-to-entry. Our goal is to deliver long-term stockholder returns that exceed those generated by our peers through a combination of dividends and enduring capital appreciation.

Our primary business is to acquire, own, renovate and asset manage premium hotel properties in the United States. Our portfolio is concentrated in major urban markets and destination resort locations. All of our hotels are managed by a third party—either an independent operator or a brand operator, such as Marriott.

We critically evaluate each of our hotels to ensure that we own a portfolio of hotels that conforms to our vision, supports our mission and corresponds with our strategy. On a regular basis, we analyze our portfolio to identify opportunities to invest capital in certain projects or market non-core assets for sale in order to increase our portfolio quality. We are committed to a conservative capital structure with prudent leverage. We regularly assess the availability and affordability of capital in order to maximize stockholder value and minimize enterprise risk. In addition, we are committed to following sound corporate governance practices and to being open and transparent in our communications with our stockholders.

On April 15, 2024, we announced leadership changes and a simplified organizational structure, including (i) the appointment of Jeffrey J. Donnelly as our Chief Executive Officer, (ii) the appointment of Briony R. Quinn as our Executive Vice President, Chief Financial Officer and Treasurer and (iii) the appointment of Justin L. Leonard as our President, all effective as of April 15, 2024. Ms. Quinn also serves as the principal financial officer and Mr. Leonard maintained his role as Chief Operating Officer and also assumed the responsibilities previously overseen by Troy G. Furbay. In connection with these appointments, we also announced (i) the departure of Mark W. Brugger as President and Chief Executive Officer and (ii) the departure of Troy G. Furbay as Executive Vice President and Chief Investment Officer, each effective as of April 15, 2024. On May 15, 2024, we announced the appointment of Stephen M. Spierto as our Chief Accounting Officer. Mr. Spierto will serve as the Company's principal accounting officer. On June 3, 2024, Anika C. Fischer joined the Company as Senior Vice President and General Counsel. Ms. Fischer assumed legal responsibilities from William J. Tennis, the Company's former Executive Vice President and General Counsel, effective June 30, 2024, consistent with his previously announced retirement.

### **Our Revenues and Expenses**

Our revenue is primarily derived from hotel operations, including rooms revenue, food and beverage revenue and other revenue, which consists of parking, spa, resort fees, other guest services, and tenant leases, among other items.

Our operating costs and expenses consist of the costs to provide hotel services, including rooms expense, food and beverage expense, other departmental and support expenses, management and franchise fees, and other property-level expenses. Rooms expense includes housekeeping and front office wages and payroll taxes, room supplies, laundry services and other costs. Food and beverage expense includes the cost of food, beverages and associated labor costs. Other departmental and support expenses include labor and other costs associated with the other operating department revenue, as well as labor and other costs associated with administrative departments, sales and marketing, information technology systems, repairs and maintenance and utility costs. Our hotels that are subject to franchise agreements are charged a royalty fee, plus additional fees for marketing, central reservation systems and other franchisor costs, in order for the hotel properties to operate under the respective brands. Franchise fees are based on a percentage of room revenue, and for certain hotels, additional franchise fees are charged for food and beverage revenue. We enter into management agreements with independent third-party management companies to operate our hotels. The management companies typically earn base and incentive management fees based on the levels of revenues and profitability of each individual hotel. Other property-level expenses include property taxes, insurance, ground lease expense, and other fixed costs.

### **Key Indicators of Financial Condition and Operating Performance**

We use a variety of operating and other information to evaluate the financial condition and operating performance of our business. These key indicators include financial information that is prepared in accordance with U.S. Generally Accepted Accounting Principles ("U.S. GAAP"), as well as other financial information that is not prepared in accordance with U.S. GAAP. In addition, we use other information that may not be financial in nature, including statistical information and comparative data. We use this information to measure the performance of individual hotels, groups of hotels and/or our

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business as a whole. We periodically compare historical information to our internal budgets as well as industry-wide information. These key indicators include:

- Occupancy percentage;
- Average Daily Rate (“ADR”);
- Rooms Revenue per Available Room (“RevPAR”);
- Earnings Before Interest, Income Taxes, Depreciation and Amortization (“EBITDA”), Earnings Before Interest, Income Taxes, Depreciation and Amortization for real estate (“EBITDA<sub>re</sub>”), Adjusted EBITDA, and Hotel Adjusted EBITDA; and
- Funds From Operations (“FFO”) and Adjusted FFO.

Occupancy, ADR and RevPAR are commonly used measures within the hotel industry to evaluate operating performance. RevPAR, which is calculated as the product of ADR and occupancy percentage, is an important statistic for monitoring operating performance at the individual hotel level and across our business as a whole. We evaluate individual hotel RevPAR performance on an absolute basis with comparisons to budget and prior periods, as well as on a company-wide and regional basis. ADR and RevPAR include only room revenue. Room revenue comprised approximately 65% of our total revenues for the six months ended June 30, 2024 and is dictated by demand, as measured by occupancy percentage, pricing, as measured by ADR, and our available supply of hotel rooms.

Our ADR, occupancy percentage and RevPAR performance may be impacted by macroeconomic factors such as U.S. economic conditions generally, inflation, interest rates, regional and local employment growth, personal income and corporate earnings, office vacancy rates and business relocation decisions, airport and other business and leisure travel, increased use of lodging alternatives, new hotel construction and the pricing strategies of our competitors. In addition, our ADR, occupancy percentage and RevPAR performance is dependent on the continued success of our hotels' global brands.

We also use EBITDA, EBITDA<sub>re</sub>, Adjusted EBITDA, Hotel Adjusted EBITDA, FFO and Adjusted FFO as measures of the financial performance of our business. See “Non-GAAP Financial Measures” for further discussion on these financial measures.

### **Our Hotels**

The following tables set forth certain operating information for the six months ended June 30, 2024 for each of our hotels owned during the period.

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Property	Location	Number of Rooms	Occupancy (%)	ADR (\$)	RevPAR (\$)	% Change from 2023 RevPAR <sup>(1)</sup>
Chicago Marriott Downtown Magnificent Mile	Chicago, Illinois	1,200	56.9 %	\$ 236.23	\$ 134.30	(0.2)%
Westin Boston Seaport District	Boston, Massachusetts	793	83.9 %	252.99	212.21	8.4 %
Salt Lake City Marriott Downtown at City Creek	Salt Lake City, Utah	510	69.4 %	197.58	137.07	9.3 %
Worthington Renaissance Fort Worth Hotel	Fort Worth, Texas	504	73.3 %	213.47	156.46	3.3 %
Westin San Diego Bayview	San Diego, California	436	68.3 %	228.13	155.87	(3.6)%
Westin Fort Lauderdale Beach Resort	Fort Lauderdale, Florida	433	84.2 %	290.74	244.94	(1.3)%
Westin Washington, D.C. City Center	Washington, D.C.	410	73.4 %	251.10	184.20	7.7 %
The Dagny Boston	Boston, Massachusetts	403	83.1 %	252.32	209.63	3.6 %
The Hythe Vail	Vail, Colorado	344	63.6 %	484.14	307.95	0.1 %
Courtyard New York Manhattan/Midtown East	New York, New York	321	92.6 %	305.05	282.36	7.1 %
Atlanta Marriott Alpharetta	Atlanta, Georgia	318	64.4 %	160.91	103.69	(1.3)%
The Gwen Hotel	Chicago, Illinois	311	73.7 %	278.74	205.54	(0.2)%
Hilton Garden Inn New York/Times Square Central	New York, New York	282	89.6 %	232.97	208.70	2.3 %
Embassy Suites by Hilton Bethesda	Bethesda, Maryland	272	71.2 %	177.12	126.10	7.5 %
Henderson Beach Resort	Destin, Florida	269	57.5 %	415.52	239.12	(9.6)%
Hotel Champlain Burlington	Burlington, Vermont	258	66.1 %	201.16	132.90	(10.4)%
Hotel Palomar Phoenix	Phoenix, Arizona	242	79.1 %	247.69	195.90	2.7 %
Bourbon Orleans Hotel	New Orleans, Louisiana	220	77.6 %	252.55	196.01	(5.1)%
Hotel Clio	Denver, Colorado	199	74.5 %	300.99	224.14	5.1 %
Courtyard New York Manhattan/Fifth Avenue	New York, New York	189	89.0 %	262.20	233.30	(2.7)%
Margaritaville Beach House Key West	Key West, Florida	186	90.1 %	443.07	399.42	2.7 %
The Lodge at Sonoma Resort	Sonoma, California	182	58.9 %	387.62	228.16	(12.5)%
Courtyard Denver Downtown	Denver, Colorado	177	75.7 %	192.63	145.88	(8.5)%
The Lindy Renaissance Charleston Hotel	Charleston, South Carolina	167	90.3 %	355.33	320.80	(1.7)%
Kimpton Shorebreak Resort Huntington Beach Resort	Huntington Beach, California	157	82.1 %	307.37	252.39	0.5 %
Cavallo Point, The Lodge at the Golden Gate	Sausalito, California	142	56.4 %	563.98	318.00	(1.9)%
Chico Hot Springs Resort & Day Spa	Pray, Montana	117	72.1 %	191.05	137.79	13.6 %
Havana Cabana Key West	Key West, Florida	106	84.4 %	348.71	294.27	0.1 %
Tranquility Bay Beachfront Resort	Marathon, Florida	103	77.6 %	704.50	546.67	(3.4)%
Hotel Emblem San Francisco	San Francisco, California	96	60.7 %	218.08	132.27	(19.6)%
Kimpton Shorebreak Fort Lauderdale Beach Resort	Fort Lauderdale, Florida	96	83.8 %	223.27	187.08	1.0 %
L'Auberge de Sedona	Sedona, Arizona	88	69.6 %	909.10	632.50	4.0 %
The Landing Lake Tahoe Resort & Spa	South Lake Tahoe, California	82	55.8 %	349.50	194.98	25.8 %
Orchards Inn Sedona	Sedona, Arizona	70	62.7 %	299.20	187.32	(2.9)%
Lake Austin Spa Resort	Austin, Texas	40	64.1 %	1,036.17	664.40	(2.4)%
Henderson Park Inn	Destin, Florida	37	71.0 %	574.38	407.88	2.0 %
<b>TOTAL/WEIGHTED AVERAGE</b>		<b>9,760</b>	<b>73.1 %</b>	<b>\$ 282.85</b>	<b>\$ 206.72</b>	<b>1.0 %</b>

(1) The percentage change from 2023 RevPAR reflects the comparable period in 2023 to our 2024 ownership period for our 2023 acquisition.

## Results of Operations

At June 30, 2024 and 2023, we owned 36 and 35 hotels, respectively. All properties owned during these periods have been included in our results of operations during the respective periods since their date of acquisition. Based on when a property was acquired, operating results for certain properties are not comparable for the three and six months ended June 30, 2024 and 2023. The property detailed in the table below is hereinafter referred to as a “non-comparable property” and all other properties are referred to as “comparable properties”:

Property	Location	Acquisition Date
Chico Hot Springs Resort & Day Spa	Pray, Montana	August 1, 2023

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*Comparison of the Three Months Ended June 30, 2024 to the Three Months Ended June 30, 2023*

*Revenue.* Revenue consists primarily of the room, food and beverage and other operating revenues from our hotels, as follows (dollars in thousands):

	Three Months Ended June 30,		Change	
	2024	2023	\$	%
Rooms	\$ 203,487	\$ 197,318	\$ 6,169	3.1 %
Food and beverage	78,111	68,369	9,742	14.2 %
Other	27,682	25,560	2,122	8.3 %
Total revenues	\$ 309,280	\$ 291,247	\$ 18,033	6.2 %

Our total revenues increased \$18.0 million from the three months ended June 30, 2023 to the three months ended June 30, 2024.

Rooms revenues increased by \$6.2 million from the three months ended June 30, 2023 to the three months ended June 30, 2024, \$1.5 million of which was due to the acquisition of the non-comparable property. The remaining increase of \$4.7 million was the result of improved occupancy at our resort hotels and increased ADR at our urban hotels.

The following are key hotel operating statistics for the three months ended June 30, 2024 and 2023. The 2023 operating statistics reflect the period in 2023 comparable to our ownership period in 2024 for the non-comparable property.

	Three Months Ended June 30,		% Change
	2024	2023	
Occupancy %	77.8 %	76.6 %	1.2 %
ADR	\$ 294.55	\$ 292.67	0.6 %
RevPAR	\$ 229.21	\$ 224.27	2.2 %

Food and beverage revenues increased \$9.7 million from the three months ended June 30, 2023 to the three months ended June 30, 2024, \$1.5 million of which was due to the acquisition of the non-comparable property. The remaining increase was primarily due to increases in both banquet revenues and audio visual revenues, driven by an increase in group business during the quarter.

Other revenues, which primarily represent spa, parking, resort fees and attrition and cancellation fees, increased by \$2.1 million from the three months ended June 30, 2023 to the three months ended June 30, 2024, \$0.6 million of which was due to the acquisition of the non-comparable property. The remaining increase of \$1.5 million was primarily due to increases in resort fees and parking.

*Hotel operating expenses.* The operating expenses consisted of the following (dollars in thousands):

	Three Months Ended June,		Change	
	2024	2023	\$	%
Rooms	\$ 47,585	\$ 45,116	\$ 2,469	5.5 %
Food and beverage	50,717	45,908	4,809	10.5 %
Other departmental and support expenses	67,817	65,445	2,372	3.6 %
Management fees	8,008	6,885	1,123	16.3 %
Franchise fees	10,567	9,403	1,164	12.4 %
Other property-level expenses	27,188	26,934	254	0.9 %
Total hotel operating expenses	\$ 211,882	\$ 199,691	\$ 12,191	6.1 %

Our hotel operating expenses increased \$12.2 million from the three months ended June 30, 2023 to the three months ended June 30, 2024, \$3.2 million of which was due to the acquisition of the non-comparable property. The remaining increase in hotel operating expenses was primarily due to higher occupancy levels and increased labor costs.



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*Depreciation and amortization.* Depreciation and amortization on our hotel buildings is generally recorded over a 40 year period subsequent to acquisition. Depreciable lives of hotel furniture, fixtures and equipment are estimated as the time period between the acquisition date and the date that the hotel furniture, fixtures and equipment will be replaced. Our depreciation and amortization expense remained flat for the three months ended June 30, 2024 primarily due to the acquisition of the non-comparable property, offset by fully depreciated assets.

*Impairment losses.* During the three months ended June 30, 2023, we recorded an impairment loss of \$0.9 million related to the write-off of construction in progress that was determined not to be recoverable. No impairment loss was recorded during the three months ended June 30, 2024.

*Corporate expenses.* Corporate expenses principally consist of employee-related costs, including payroll, bonus, restricted stock and benefits. Corporate expenses also include corporate operating costs, professional fees and directors' fees. Our corporate expenses increased \$20.2 million from the three months ended June 30, 2023 primarily due to \$20.4 million of severance expense recognized due to the leadership changes announced in April 2024 and severance payments to the former Chief Executive Officer and Chief Investment Officer pursuant to their respective severance agreements. We do not expect to recognize any additional severance expense in the second half of the year associated with our previously announced leadership changes.

*Business interruption insurance income.* During the three months ended June 30, 2023, we recognized \$0.1 million of business interruption insurance income related to an insurance claim at the Worthington Renaissance Fort Worth Hotel. No business interruption insurance income was recorded during the three months ended June 30, 2024.

*Interest expense.* Our interest expense increased \$0.6 million from the three months ended June 30, 2023 to the three months ended June 30, 2024 and was comprised of the following (in thousands):

	Three Months Ended June 30,		Change	
	2024	2023	\$	%
Mortgage debt interest	\$ 4,009	\$ 4,111	\$ (102)	(2.5)%
Term loan interest	11,368	10,608	760	7.2 %
Credit facility interest and unused fees	312	317	(5)	(1.6)%
Amortization of debt issuance costs and debt premium	513	512	1	0.2 %
Interest rate swap mark-to-market	—	19	(19)	(100.0)%
	<u>\$ 16,202</u>	<u>\$ 15,567</u>	<u>\$ 635</u>	<u>4.1 %</u>

The increase in interest expense is primarily related to the rising interest rates on our variable rate debt.

*Comparison of the Six Months Ended June 30, 2024 to the Six Months Ended June 30, 2023*

*Revenue.* Revenue consists primarily of the room, food and beverage and other operating revenues from our hotels, as follows (dollars in thousands):

	Six Months Ended June 30,		Change	
	2024	2023	\$	%
Rooms	\$ 366,994	\$ 357,991	\$ 9,003	2.5 %
Food and beverage	146,492	128,146	18,346	14.3 %
Other	52,217	48,663	3,554	7.3 %
Total revenues	<u>\$ 565,703</u>	<u>\$ 534,800</u>	<u>\$ 30,903</u>	<u>5.8 %</u>

Our total revenues increased \$30.9 million from the six months ended June 30, 2023 to the six months ended June 30, 2024.

Rooms revenues increased by \$9.0 million from the six months ended June 30, 2023 to the six months ended June 30, 2024, \$2.8 million of which was due to the acquisition of the non-comparable property. The remaining increase of \$6.2 million was the result of improved occupancy at our resort hotels and increased occupancy and ADR at our urban hotels.

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The following are key hotel operating statistics for the six months ended June 30, 2024 and 2023. The 2023 operating statistics reflect the period in 2023 comparable to our ownership period in 2024 for the non-comparable property.

	Six Months Ended June 30,		% Change
	2024	2023	
Occupancy %	73.1 %	71.8 %	1.3 %
ADR	\$ 282.85	\$ 285.15	(0.8)%
RevPAR	\$ 206.72	\$ 204.75	1.0 %

Food and beverage revenues increased \$18.3 million from the six months ended June 30, 2023 to the six months ended June 30, 2024, \$3.0 million of which was due to the acquisition of the non-comparable property. The remaining increase was primarily due to increases in both banquet revenues and audio visual revenues, driven by an increase in group business during the period.

Other revenues, which primarily represent spa, parking, resort fees and attrition and cancellation fees, increased by \$3.6 million from the six months ended June 30, 2023 to the six months ended June 30, 2024, \$1.2 million of which was due to the acquisition of the non-comparable property. The remaining increase of \$2.4 million was primarily due to increases in resort fees and parking.

*Hotel operating expenses.* The operating expenses consisted of the following (dollars in thousands):

	Six Months Ended June,		Change	
	2024	2023	\$	%
Rooms	\$ 91,553	\$ 85,319	\$ 6,234	7.3 %
Food and beverage	97,956	89,058	8,898	10.0 %
Other departmental and support expenses	132,417	127,413	5,004	3.9 %
Management fees	13,318	11,873	1,445	12.2 %
Franchise fees	19,593	17,480	2,113	12.1 %
Other property-level expenses	53,806	51,051	2,755	5.4 %
Total hotel operating expenses	\$ 408,643	\$ 382,194	\$ 26,449	6.9 %

Our hotel operating expenses increased \$26.4 million from the six months ended June 30, 2023 to the six months ended June 30, 2024, \$6.4 million of which was due to the acquisition of the non-comparable property. The remaining increase in hotel operating expenses was primarily due to higher occupancy levels and increased labor costs. Other property-level expenses increased due to higher property tax assessments and insurance premiums.

*Depreciation and amortization.* Depreciation and amortization on our hotel buildings is generally recorded over a 40 year period subsequent to acquisition. Depreciable lives of hotel furniture, fixtures and equipment are estimated as the time period between the acquisition date and the date that the hotel furniture, fixtures and equipment will be replaced. Our depreciation and amortization expense increased \$0.9 million, or 1.6%, from the six months ended June 30, 2023 primarily due to the acquisition of the non-comparable property.

*Impairment losses.* During the six months ended June 30, 2023, we recorded an impairment loss of \$0.9 million related to the write-off of construction in progress that was determined not to be recoverable. No impairment loss was recorded during the six months ended June 30, 2024.

*Corporate expenses.* Corporate expenses principally consist of employee-related costs, including payroll, bonus, restricted stock and benefits. Corporate expenses also include corporate operating costs, professional fees and directors' fees. Our corporate expenses increased \$21.3 million from the six months ended June 30, 2023 primarily due to \$20.4 million of severance expense recognized due to the leadership changes announced in April 2024 and severance payments to the former Chief Executive Officer and Chief Investment Officer pursuant to their respective severance agreements. We do not expect to recognize any additional severance expense in the second half of the year associated with our previously announced leadership changes.

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*Business interruption insurance income.* During the six months ended June 30, 2023, we recognized \$0.1 million of business interruption insurance income related to an insurance claim at the Worthington Renaissance Fort Worth Hotel. No business interruption insurance income was recorded during the six months ended June 30, 2024.

*Interest expense.* Our interest expense decreased \$0.3 million from the six months ended June 30, 2023 to the six months ended June 30, 2024 and was comprised of the following (in thousands):

	Six Months Ended June 30,		Change	
	2024	2023	\$	%
Mortgage debt interest	\$ 8,044	\$ 8,202	\$ (158)	(1.9)%
Term loan interest	22,755	20,848	1,907	9.1 %
Credit facility interest and unused fees	623	630	(7)	(1.1)%
Amortization of debt issuance costs and debt premium	1,026	1,026	—	— %
Interest rate swap mark-to-market	—	2,033	(2,033)	(100.0)%
	<u>\$ 32,448</u>	<u>\$ 32,739</u>	<u>\$ (291)</u>	<u>(0.9)%</u>

The decrease in interest expense is primarily related to the conversion of certain of our interest rate swaps to cash flow hedges as of April 1, 2023, partially offset by rising interest rates on our variable rate debt.

## **Liquidity and Capital Resources**

Our short-term liquidity requirements consist primarily of funds necessary to pay our scheduled debt service, near term debt maturities, operating expenses, ground lease payments, capital expenditures directly associated with our hotels, any share repurchases, distributions to our common and preferred stockholders, and the cost of acquiring additional hotels. Other than scheduled debt service payments, we have one mortgage loan that matures on August 6, 2024, which has a principal balance of \$73.4 million as of June 30, 2024. We intend to repay this mortgage loan using cash on hand.

Our mortgage debt agreements contain “cash trap” provisions that are triggered when the hotel’s operating results fall below a certain debt service coverage ratio. When these provisions are triggered, all of the excess cash flow generated by the hotel is deposited directly into cash management accounts for the benefit of our lenders until a specified debt service coverage ratio is reached and maintained for a certain period of time. Such provisions do not allow the lender the right to accelerate repayment of the underlying debt. As of June 30, 2024, we had no cash traps in place.

Our long-term liquidity requirements consist primarily of funds necessary to pay for the costs of acquiring additional hotels, renovations and other capital expenditures that need to be made periodically to our hotels, scheduled debt payments, debt maturities, certain redemptions of limited operating partnership units (“common OP units”), ground lease payments, share repurchases, and making distributions to our common and preferred stockholders. We expect to meet our long-term liquidity requirements through various sources of capital, including cash provided by operations, borrowings, issuances of additional equity, including common OP units, and/or debt securities and proceeds from property dispositions. Our ability to incur additional debt is dependent upon a number of factors, including the state of the credit markets, our degree of leverage, the value of our unencumbered assets and borrowing restrictions imposed by existing lenders. Our ability to raise capital through the issuance of additional equity and/or debt securities is also dependent on a number of factors including the current state of the capital markets, investor sentiment and our intended use of proceeds. We may need to raise additional capital if we identify acquisition opportunities that meet our investment objectives and require liquidity in excess of existing cash balances. Our ability to raise funds through the issuance of equity securities depends on, among other things, general market conditions for hotel companies and REITs and market perceptions about us.

## ***Our Financing Strategy***

Since our formation in 2004, we have been committed to a conservative capital structure with prudent leverage. Our outstanding debt consists of fixed interest rate mortgage debt, unsecured term loans and periodic borrowings on our senior unsecured credit facility. We have a preference to maintain a significant portion of our portfolio as unencumbered in order to provide balance sheet flexibility. We expect that our strategy will enable us to maintain a balance sheet with an appropriate amount of debt throughout all phases of the lodging cycle. We believe that it is prudent to reduce the inherent risk of highly cyclical lodging fundamentals through a low leverage capital structure.

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We prefer a relatively simple but efficient capital structure. We generally structure our hotel acquisitions to be straightforward and to fit within our capital structure; however, we will consider a more complex transaction, such as the issuance of common OP units in connection with the acquisition of Cavallo Point, The Lodge at the Golden Gate, if we believe that the projected returns to our stockholders will significantly exceed the returns that would otherwise be available.

We believe that we maintain a reasonable amount of debt. As of June 30, 2024, we had \$1.2 billion of debt outstanding with a weighted average interest rate of 5.22% and a weighted average maturity date of approximately 2.2 years, assuming all extension options available in our debt agreements are exercised. We have one mortgage loan maturing on August 6, 2024, which we intend to repay using cash on hand, and two additional mortgage loans and our \$300 million term loan that mature in the next 12 months. We intend to exercise our right to extend our \$300 million term loan an additional year, which would bring its maturity date to January 3, 2026. We intend to refinance the other mortgage loans that mature in 2025 as they approach their respective maturity dates. In the case that refinancing options are not attractive, we may repay such mortgage loans using our senior unsecured revolving credit facility. As of June 30, 2024, 32 of our 36 hotels are unencumbered by mortgage debt. We remain committed to our core strategy of prudent leverage.

Information about our financing activities is available in Note 4 to the accompanying consolidated financial statements.

### ***ATM Program***

We maintain an “at-the-market” equity offering program (the “ATM Program”), pursuant to which we may issue and sell shares of our common stock from time to time, having an aggregate offering price of up to \$200.0 million. We have not sold any shares under the ATM Program, which is scheduled to expire pursuant to its terms on August 6, 2024. We expect to replace the ATM Program prior to its expiration.

### ***Share Repurchase Program***

In May 2024, our board of directors authorized the repurchase of up to \$200.0 million of our common stock under a new share repurchase program, which replaced our prior share repurchase program that was authorized in September 2022. The timing and actual number of shares repurchased will depend on a variety of factors, including price and general business and market conditions. The new share repurchase program does not obligate us to acquire any particular amount of shares, and may be suspended or discontinued at any time at our discretion. The new share repurchase program will expire on May 1, 2026. As of June 30, 2024, we repurchased 2,454,307 shares of common stock at an average price of \$8.39 per share for a total purchase price of \$20.6 million under this program. Subsequent to June 30, 2024, we repurchased 660,569 shares at an average price of \$8.14 per share for a total purchase price of \$5.4 million. As of August 2, 2024, we have \$174.0 million of authorized capacity remaining under the new share repurchase program. All share repurchases during the year were made under the new share repurchase program.

### ***Short-Term Borrowings***

Other than borrowings under our senior unsecured credit facility, discussed below, we do not utilize short-term borrowings to meet liquidity requirements.

### ***Senior Unsecured Credit Facility and Unsecured Term Loans***

We are party to a Sixth Amended and Restated Credit Agreement that provides us with a \$400 million senior unsecured revolving credit facility and two term loan facilities in the aggregate amount of \$800 million. The revolving credit facility matures on September 27, 2026, which we may extend for an additional year upon the payment of applicable fees and satisfaction of certain standard conditions. The term loan facilities consist of a \$500 million term loan that matures on January 3, 2028 and a \$300 million term loan that matures on January 3, 2025. The maturity date of the \$300 million term loan may be extended for an additional year upon the payment of applicable fees and satisfaction of certain standard conditions. We intend to exercise our right to extend our \$300 million term loan an additional year. We have the right to increase the aggregate amount of the facilities to \$1.4 billion upon the satisfaction of certain standard conditions.

Additional information about the credit facilities, including a summary of significant covenants, can be found in Note 4 to the accompanying consolidated financial statements.

### **Sources and Uses of Cash**

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We expect that our principal sources of cash will include one or more of the following: net cash flow from hotel operations, sales of our equity and debt securities, debt financings and proceeds from any hotel dispositions. Our principal uses of cash are acquisitions of hotel properties, debt service and maturities, share repurchases, capital expenditures, operating costs, ground lease payments, corporate expenses, and distributions to holders of common stock, common OP units and preferred stock. As of June 30, 2024, we had \$125.2 million of unrestricted cash, \$45.2 million of restricted cash and no outstanding borrowings on our senior unsecured credit facility.

Our net cash provided by operations was \$87.0 million for the six months ended June 30, 2024. Our cash from operations generally consists of the net cash flow from hotel operations, offset by cash paid for corporate expenses, interest payments, and other working capital changes. The decrease of \$27.5 million in cash provided by operations from the six months ended June 30, 2023 was primarily driven by timing differences related to collections from our hotel managers and severance payments related to our previously announced leadership changes.

Our net cash used in investing activities was \$35.8 million for the six months ended June 30, 2024, which consisted of capital expenditures at our hotels.

Our net cash used in financing activities was \$47.9 million for the six months ended June 30, 2024, which consisted of \$12.9 million of distributions paid to holders of common stock and common OP units, \$4.9 million of distributions paid to holders of preferred stock, \$4.9 million of scheduled mortgage debt principal payments, \$4.6 million paid to repurchase shares upon the vesting of restricted stock for the payment of tax withholding obligations, and \$20.6 million of shares repurchased under our new share repurchase program.

We currently anticipate our significant source of cash for the remainder of the year ending December 31, 2024 will be the net cash flow from hotel operations. We expect our estimated uses of cash for the remainder of the year ending December 31, 2024 will be scheduled debt service payments and maturity payments, capital expenditures, distributions to preferred and common stockholders, share repurchases and corporate expenses.

### **Dividend Policy**

We intend to distribute to our stockholders dividends at least equal to our REIT taxable income to avoid paying corporate income tax and excise tax on our earnings (other than the earnings of our taxable REIT subsidiaries, which are all subject to tax at regular corporate rates) and to qualify for the tax benefits afforded to REITs under the Code. In order to qualify as a REIT under the Code, we generally must make distributions to our stockholders each year in an amount equal to at least:

- 90% of our REIT taxable income determined without regard to the dividends paid deduction and excluding net capital gains, plus
- 90% of the excess of our net income from foreclosure property over the tax imposed on such income by the Code, minus
- any excess non-cash income.

The timing and frequency of distributions will be authorized by our board of directors and declared by us based upon a variety of factors, including our financial performance, restrictions under applicable law and our current and future loan agreements, our debt service requirements, our capital expenditure requirements, the requirements for qualification as a REIT under the Code and other factors that our board of directors may deem relevant from time to time.

For each of the six months ended June 30, 2024 and 2023, we paid an aggregate cash dividend of \$0.06 per share or unit to holders of our common stock, common OP units, and LTIP units.

For each of the six months ended June 30, 2024 and 2023, we paid an aggregate cash dividend of \$1.0313 per share to holders of our Series A Preferred Stock.

### **Capital Expenditures**

The management and franchise agreements for each of our hotels provide for the establishment of separate property improvement reserves to cover, among other things, the cost of replacing and repairing furniture, fixtures and equipment at our hotels and other routine capital expenditures. Contributions to the property improvement fund are calculated as a percentage of hotel revenues. In addition, we may be required to pay for the cost of certain additional improvements that are not permitted to be funded from the property improvement fund under the applicable management or franchise agreement. As of June 30, 2024,

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we have set aside \$42.3 million for capital projects in property improvement reserves, which are included in restricted cash on our consolidated balance sheet.

In 2024, we expect to spend approximately \$90 million to \$100 million on capital improvements at our hotels, of which we have invested approximately \$35.8 million during the six months ended June 30, 2024. Significant projects in 2024 include the following:

- **Hotel Champlain Burlington:** We completed the rebranding and repositioning of the Hilton Burlington Lake Champlain to Hotel Champlain Burlington, a Curio Collection by Hilton hotel in July 2024.
- **Westin San Diego Bayview:** We substantially completed a comprehensive renovation of the hotel's guestrooms during the second quarter of 2024.
- **Orchards Inn Sedona:** We expect to commence a repositioning of Orchards Inn as the Cliffs at L'Auberge in the fourth quarter of 2024. The project is expected to be completed in 2025 and will integrate the hotel with the adjacent L'Auberge de Sedona and include construction of a new pool connecting the two properties, renovation of the guestrooms and creation of a new arrival experience and new outdoor event space.
- **The Landing Lake Tahoe Resort and Spa:** We expect to commence a renovation of the property to accommodate 14 new keys and construct an adjacent indoor/outdoor event space to be completed in 2025.

## Non-GAAP Financial Measures

We use the following non-GAAP financial measures that we believe are useful to investors as key measures of our operating performance: EBITDA, EBITDA<sub>re</sub>, Adjusted EBITDA, Hotel Adjusted EBITDA, FFO and Adjusted FFO. These measures should not be considered in isolation or as a substitute for measures of performance in accordance with U.S. GAAP. EBITDA, EBITDA<sub>re</sub>, Adjusted EBITDA, Hotel Adjusted EBITDA, FFO and Adjusted FFO, as calculated by us, may not be comparable to other companies that do not define such terms exactly as the Company.

### *Use and Limitations of Non-GAAP Financial Measures*

Our management and Board of Directors use EBITDA, EBITDA<sub>re</sub>, Adjusted EBITDA, Hotel Adjusted EBITDA, FFO and Adjusted FFO to evaluate the performance of our hotels and to facilitate comparisons between us and other lodging REITs, hotel owners who are not REITs and other capital intensive companies. The use of these non-GAAP financial measures has certain limitations. These non-GAAP financial measures as presented by us, may not be comparable to non-GAAP financial measures as calculated by other real estate companies. These measures do not reflect certain expenses or expenditures that we incurred and will incur, such as depreciation, interest and capital expenditures. We compensate for these limitations by separately considering the impact of these excluded items to the extent they are material to operating decisions or assessments of our operating performance. Our reconciliations to the most comparable U.S. GAAP financial measures, and our consolidated statements of operations and comprehensive income and consolidated statements of cash flows, include interest expense, capital expenditures, and other excluded items, all of which should be considered when evaluating our performance, as well as the usefulness of our non-GAAP financial measures.

These non-GAAP financial measures are used in addition to and in conjunction with results presented in accordance with U.S. GAAP. They should not be considered as alternatives to operating profit, cash flow from operations, or any other operating performance measure prescribed by U.S. GAAP. These non-GAAP financial measures reflect additional ways of viewing our operations that we believe, when viewed with our U.S. GAAP results and the reconciliations to the corresponding U.S. GAAP financial measures, provide a more complete understanding of factors and trends affecting our business than could be obtained absent this disclosure. We strongly encourage investors to review our financial information in its entirety and not to rely on a single financial measure.

### *EBITDA and EBITDA<sub>re</sub>*

EBITDA represents net income (calculated in accordance with U.S. GAAP) excluding: (1) interest expense; (2) provision for income taxes, including income taxes applicable to sale of assets; and (3) depreciation and amortization. The Company computes EBITDA<sub>re</sub> in accordance with the National Association of Real Estate Investment Trusts ("Nareit") guidelines, as defined in its September 2017 white paper "Earnings Before Interest, Taxes, Depreciation and Amortization for Real Estate." EBITDA<sub>re</sub> represents net income (calculated in accordance with U.S. GAAP) adjusted for: (1) interest expense; (2) provision for income taxes, including income taxes applicable to sale of assets; (3) depreciation and amortization; (4) gains or losses on the disposition of depreciated property including gains or losses on change of control; (5) impairment write-downs of

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depreciated property and of investments in unconsolidated affiliates caused by a decrease in value of depreciated property in the affiliate; and (6) adjustments to reflect the entity's share of EBITDA<sub>re</sub> of unconsolidated affiliates.

We believe EBITDA and EBITDA<sub>re</sub> are useful to an investor in evaluating our operating performance because they help investors evaluate and compare the results of our operations from period to period by removing the impact of our capital structure (primarily interest expense) and our asset base (primarily depreciation and amortization, and in the case of EBITDA<sub>re</sub>, impairment and gains or losses on dispositions of depreciated property) from our operating results. In addition, covenants included in our debt agreements use EBITDA as a measure of financial compliance. We also use EBITDA and EBITDA<sub>re</sub> as measures in determining the value of hotel acquisitions and dispositions.

### **FFO**

The Company computes FFO in accordance with standards established by Nareit, which defines FFO as net income (calculated in accordance with U.S. GAAP) excluding gains or losses from sales of properties and impairment losses, plus real estate related depreciation and amortization. The Company believes that the presentation of FFO provides useful information to investors regarding its operating performance because it is a measure of the Company's operations without regard to specified non-cash items, such as real estate related depreciation and amortization and gains or losses on the sale of assets. The Company also uses FFO as one measure in assessing its operating results.

### **Adjustments to EBITDA<sub>re</sub> and FFO**

We adjust EBITDA<sub>re</sub> and FFO when evaluating our performance because we believe that the exclusion of certain additional items described below provides useful supplemental information to investors regarding our ongoing operating performance and that the presentation of Adjusted EBITDA and Adjusted FFO when combined with U.S. GAAP net income, EBITDA<sub>re</sub> and FFO, is beneficial to an investor's complete understanding of our consolidated and property-level operating performance. We adjust EBITDA<sub>re</sub> and FFO for the following items:

- *Non-Cash Lease Expense and Other Amortization:* We exclude the non-cash expense incurred from the straight-line recognition of expense from our ground leases and other contractual obligations and the non-cash amortization of our favorable and unfavorable contracts, originally recorded in conjunction with certain hotel acquisitions. We exclude these non-cash items because they do not reflect the actual cash amounts due to the respective lessors in the current period and they are of lesser significance in evaluating our actual performance for that period.
- *Cumulative Effect of a Change in Accounting Principle:* The Financial Accounting Standards Board promulgates new accounting standards that require or permit the consolidated statement of operations and comprehensive income to reflect the cumulative effect of a change in accounting principle. We exclude the effect of these adjustments, which include the accounting impact from prior periods, because they do not reflect the Company's actual underlying performance for the current period.
- *Gains or Losses from Early Extinguishment of Debt:* We exclude the effect of gains or losses recorded on the early extinguishment of debt because these gains or losses result from transaction activity related to the Company's capital structure that we believe are not indicative of the ongoing operating performance of the Company or our hotels.
- *Hotel Acquisition Costs:* We exclude hotel acquisition costs expensed during the period because we believe these transaction costs are not reflective of the ongoing performance of the Company or our hotels.
- *Severance Costs:* We exclude corporate severance costs, or reversals thereof, incurred with the termination of corporate-level employees and severance costs incurred at our hotels related to lease terminations or structured severance programs because we believe these costs do not reflect the ongoing performance of the Company or our hotels.
- *Hotel Manager Transition Items:* We exclude the transition items associated with a change in hotel manager because we believe these items do not reflect the ongoing performance of the Company or our hotels.
- *Hotel Pre-Opening Costs:* We exclude the pre-opening costs associated with the redevelopment or rebranding of a hotel because we believe these items do not reflect the ongoing performance of the Company or our hotels.
- *Other Items:* From time to time we incur costs or realize gains that we consider outside the ordinary course of business and that we do not believe reflect the ongoing performance of the Company or our hotels. Such items may

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include, but are not limited to the following: lease preparation costs incurred to prepare vacant space for marketing; management or franchise contract termination fees; gains or losses from legal settlements; costs incurred related to natural disasters; and gains on property insurance claim settlements, other than income related to business interruption insurance.

In addition, to derive Adjusted FFO we exclude any unrealized fair value adjustments to interest rate swaps. We exclude these non-cash amounts because they do not reflect the underlying performance of the Company.

**Hotel Adjusted EBITDA**

We believe that Hotel Adjusted EBITDA provides our investors a useful financial measure to evaluate our hotel operating performance, excluding the impact of our capital structure (primarily interest), our asset base (primarily depreciation and amortization), and our corporate-level expenses. With respect to Hotel Adjusted EBITDA, we believe that excluding the effect of corporate-level expenses provides a more complete understanding of the operating results over which individual hotels and third-party management companies have direct control. We believe property-level results provide investors with supplemental information on the ongoing operational performance of our hotels and effectiveness of the third-party management companies operating our business on a property-level basis. Hotel Adjusted EBITDA margins are calculated as Hotel Adjusted EBITDA divided by total hotel revenues.

The following table is a reconciliation of our U.S. GAAP net income to EBITDA, EBITDA<sub>re</sub>, Adjusted EBITDA and Hotel Adjusted EBITDA (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
<b>Net income</b>	\$ 24,631	39,134	\$ 32,989	\$ 48,322
Interest expense	16,202	15,567	32,448	32,739
Income tax expense	1,368	422	278	196
Real estate related depreciation and amortization	27,873	27,840	56,186	55,312
<b>EBITDA</b>	70,074	82,963	121,901	136,569
Impairment losses	—	941	—	941
<b>EBITDA<sub>re</sub></b>	70,074	83,904	121,901	137,510
Non-cash lease expense and other amortization	1,555	1,537	3,073	3,087
Severance costs	20,362	—	20,362	—
Hotel pre-opening costs	535	326	769	542
<b>Adjusted EBITDA</b>	92,526	85,767	146,105	141,139
Corporate expenses	8,157	8,284	17,061	16,151
Interest (income) and other (income) expense, net	(1,195)	(522)	(2,264)	(945)
<b>Hotel Adjusted EBITDA</b>	\$ 99,488	\$ 93,529	\$ 160,902	\$ 156,345

The following table is a reconciliation of our U.S. GAAP net income to FFO and Adjusted FFO (in thousands):



	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
<b>Net income</b>	\$ 24,631	\$ 39,134	32,989	\$ 48,322
Real estate related depreciation and amortization	27,873	27,840	56,186	55,312
Impairment losses	—	941	—	941
<b>FFO</b>	52,504	67,915	89,175	104,575
Distributions to preferred stockholders	(2,454)	(2,454)	(4,908)	(4,908)
<b>FFO available to common stock and unit holders</b>	50,050	65,461	84,267	99,667
Non-cash lease expense and other amortization	1,555	1,537	3,073	3,087
Hotel pre-opening costs	535	326	769	542
Severance costs	20,362	—	20,362	—
Fair value adjustments to interest rate swaps	—	19	—	2,033
<b>Adjusted FFO available to common stock and unit holders</b>	\$ 72,502	\$ 67,343	\$ 108,471	\$ 105,329

### Critical Accounting Estimates and Policies

Our unaudited consolidated financial statements include the accounts of DiamondRock Hospitality Company and all consolidated subsidiaries. The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of our financial statements and the reported amounts of revenues and expenses during the reporting period. While we do not believe the reported amounts would be materially different, application of these policies involves the exercise of judgment and the use of assumptions as to future uncertainties and, as a result, actual results could differ materially from these estimates. We evaluate our estimates and judgments, including those related to the impairment of long-lived assets, on an ongoing basis. We base our estimates on experience and on various assumptions that are believed to be reasonable under the circumstances. All of our significant accounting policies, including certain critical accounting policies, are disclosed in our Annual Report on Form 10-K for the year ended December 31, 2023. There have been no significant changes to our critical accounting policies since the year ended December 31, 2023.

### Inflation

Operators of hotels, in general, possess the ability to adjust room rates daily to reflect the effects of inflation. Generally, our management companies may adjust room rates daily, excluding previous contractually committed reservations. However, competitive pressures or other factors may limit the ability of our management companies to raise room rates. Inflation may also affect our expenses and cost of capital improvements, including, without limitation, by increasing the costs of labor, employee-related benefits, food, commodities and other materials, taxes, property and casualty insurance and utilities.

Inflation has increased recently to levels not seen in years. The United States Federal Reserve has raised interest rates in response to concerns about inflation. During the first half of 2024, inflation continued to persist at levels above the Federal Reserve's target level. The Federal Reserve has indicated it will remain data dependent in determining whether to continue to raise, hold at current levels or slowly ease interest rates during 2024. Increases in interest rates, especially if coupled with reduced government spending and volatility in financial markets, may have the effect of further increasing economic uncertainty, and increasing the cost of new indebtedness and servicing our outstanding variable rate debt.

### Seasonality

The periods during which our hotels experience higher revenues vary from property to property, depending principally upon location and the customer base served. Accordingly, we expect some seasonality in our business. Volatility in our financial performance from the seasonality of the lodging industry could adversely affect our financial condition and results of operations.

**Item 3. Quantitative and Qualitative Disclosures about Market Risk**

Market risk includes risks that arise from changes in interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market sensitive instruments. In pursuing our business strategies, the primary market risk to which we are currently exposed, and to which we expect to be exposed in the future, is interest rate risk. The face amount of our outstanding debt as of June 30, 2024 was \$1.2 billion, of which \$0.8 billion had a variable interest rate. Our primary sensitivity in 2024 is to changes in one-month Secured Overnight Financing Rate (“SOFR”), as the interest rates on our variable-rate indebtedness were based on this benchmark rate. We use interest rate swaps in order to maintain what we believe to be an appropriate level of exposure to interest rate variability. As of June 30, 2024, we held interest rate swaps related to \$325 million of our variable-rate indebtedness, which effectively fixes the interest rate on a portion of our variable-rate debt for varying periods, up to or prior to maturity. If market interest rates on our unhedged variable rate debt fluctuate by 100 basis points, interest expense would increase or decrease, depending on rate movement, future earnings and cash flows, by \$4.8 million annually.

**Item 4. Controls and Procedures**

The Company’s management has evaluated, under the supervision and with the participation of the Company’s Chief Executive Officer and Chief Financial Officer, the effectiveness of the disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), as required by paragraph (b) of Rules 13a-15 and 15d-15 under the Exchange Act, and has concluded that as of the end of the period covered by this report, the Company’s disclosure controls and procedures were effective to give reasonable assurances that information we disclose in reports filed with the Securities and Exchange Commission is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission’s rules and forms.

In the second quarter of 2024, the Company completed the implementation of a new enterprise resource planning (“ERP”) system. This implementation resulted in changes to our reporting processes and our internal controls over financial reporting, by automating certain manual procedures and standardizing business processes. As a result of this implementation, we updated the design of internal controls over financial reporting to address the impacted processes and the related risks. We will continue to monitor our internal control over financial reporting under the new ERP system, including evaluating the operating effectiveness of related key controls.

Other than the new ERP system described above, there was no change in the Company’s internal control over financial reporting identified in connection with the evaluation required by paragraph (d) of Rules 13a-15 and 15d-15 under the Exchange Act during the Company’s most recent fiscal quarter that materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting.

**PART II. OTHER INFORMATION****Item 1. Legal Proceedings**

We are subject to various claims, lawsuits and legal proceedings, including routine litigation arising in the ordinary course of business regarding the operation of our hotels and other company matters. While it is not possible to ascertain the ultimate outcome of such matters, management believes that the aggregate amount of such liabilities, if any, in excess of amounts covered by insurance will not have a material adverse impact on our financial condition or results of operations. The outcome of claims, lawsuits and legal proceedings brought against the Company, however, is subject to significant uncertainties.

**Item 1A. Risk Factors**

There have been no material changes to the risk factors disclosed in the Company's Annual Report on Form 10-K for the year ended December 31, 2023.

**Item 2. Unregistered Sales of Equity Securities and Use of Proceeds**

(a) None.

(b) Not applicable.

(c) Issuer Purchases of Equity Securities

<b>Period</b>	<b>(a) Total Number of Shares Purchased</b>	<b>(b) Average Price Paid per Share</b>	<b>(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs</b>	<b>(d) Maximum Approximate Dollar Value of Shares that May Yet be Purchased Under the Plans or Programs (in thousands)<sup>(1)</sup></b>
April 1 - April 30, 2024	—	\$ —	—	\$ 185,324
May 1 - May 31, 2024	171,951 <sup>(2)</sup>	\$ 8.40	1,773,607	\$ 185,005
June 1 - June 30, 2024	23,453 <sup>(2)</sup>	\$ 8.28	680,700	\$ 179,415

(1) Through April 30, 2024, represents amounts available under the Company's \$200.0 million share repurchase program approved by the board of directors on September 29, 2022. On May 1, 2024, our board of directors approved a new \$200.0 million share repurchase program, which replaces the old program. The new share repurchase program expires on May 1, 2026. The new share repurchase program does not obligate the Company to acquire any particular amount of shares, and the new share repurchase program may be suspended or discontinued at any time at the Company's discretion.

(2) Reflects shares surrendered to the Company by employees for payment of tax withholding obligations in connection with the vesting of restricted stock. These shares are not part of the Company's share repurchase program.

**Item 3. Defaults Upon Senior Securities**

Not applicable.

**Item 4. Mine Safety Disclosures**

Not applicable.

**Item 5. Other Information**

During the three months ended June 30, 2024, none of our directors or officers (as defined in Rule 16a-1(f) of the Exchange Act) adopted, terminated or modified a Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement (as such terms are defined in Item 408 of Regulation S-K).

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**Item 6. Exhibits**

(a) *Exhibits*

The following exhibits are filed, or furnished as indicated, as part of this Form 10-Q:

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### Exhibit

<a href="#">10.1</a> <sup>†</sup>	DiamondRock Hospitality Company 2024 Equity Incentive Plan, effective as of May 1, 2024 (incorporated by reference to Exhibit 99.1 to the Registrant's Registration Statement on Form S-8 filed with the Securities and Exchange Commission on May 1, 2024)
<a href="#">10.2</a> <sup>†*</sup>	Amended and Restated Severance Agreement between DiamondRock Hospitality Company and Jeffrey J. Donnelly, effective May 14, 2024
<a href="#">10.3</a> <sup>†*</sup>	Amended and Restated Severance Agreement between DiamondRock Hospitality Company and Justin L. Leonard, effective May 14, 2024
<a href="#">10.4</a> <sup>†*</sup>	Amended and Restated Severance Agreement between DiamondRock Hospitality Company and Briony R. Quinn, effective May 14, 2024
<a href="#">10.5</a> <sup>†</sup>	General Release Agreement, dated May 17, 2024, between Troy G. Furbay and DiamondRock Hospitality Company (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on May 23, 2024)
<a href="#">10.6</a> <sup>†#</sup>	General Release Agreement, dated May 21, 2024, between Mark W. Brugger and DiamondRock Hospitality Company (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on May 23, 2024)
<a href="#">10.7</a> <sup>†</sup>	Retirement Agreement, dated May 31, 2024, between William J. Tennis and DiamondRock Hospitality Company (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on June 3, 2024)
<a href="#">10.8</a> <sup>†*</sup>	Severance Agreement between DiamondRock Hospitality Company and Anika Fischer, dated July 1, 2024, effective June 3, 2024
<a href="#">31.1</a> <sup>*</sup>	Certification of Chief Executive Officer Required by Rule 13a-14(a) and Rule 15d-14(a) of the Exchange Act
<a href="#">31.2</a> <sup>*</sup>	Certification of Chief Financial Officer Required by Rule 13a-14(a) and Rule 15d-14(a) of the Exchange Act
<a href="#">32.1</a> <sup>**</sup>	Certification of Chief Executive Officer and Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.SCH <sup>*</sup>	Inline XBRL Taxonomy Extension Schema Document
101.CAL <sup>*</sup>	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF <sup>*</sup>	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB <sup>*</sup>	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE <sup>*</sup>	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104 <sup>*</sup>	Cover Page Interactive Data File (formatted as inline XBRL with applicable taxonomy extension information contained in Exhibits 101.*)

<sup>†</sup> Exhibit is a management contract or compensatory plan or arrangement.

<sup>#</sup> Portions of this exhibit have been omitted pursuant to Rule 601(b)(10)(iv) of Regulation S-K.

<sup>\*</sup> Filed herewith

<sup>\*\*</sup> Furnished herewith

**SIGNATURES**

Pursuant to the requirements 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.

DiamondRock Hospitality Company

August 2, 2024

/s/ Briony R. Quinn

Briony R. Quinn

Executive Vice President and Chief Financial Officer

(Principal Financial Officer)

/s/ Stephen M. Spierto

Stephen M. Spierto

Chief Accounting Officer and Corporate Controller

(Principal Accounting Officer)

**AMENDED AND RESTATED**  
**SEVERANCE AGREEMENT**

THIS AMENDED AND RESTATED SEVERANCE AGREEMENT (the “**Agreement**”) is made on May 14, 2024, by **DiamondRock Hospitality Company**, a Maryland corporation (the “**REIT**”), with its principal place of business at 2 Bethesda Metro Center, Suite 1400, Bethesda, Maryland 20814 and **Jeffrey Donnelly**, residing at [\*\*\*] (the “**Executive**”). This Agreement is effective as of May 14, 2024 and amends and restates the Severance Agreement, dated August 8, 2019 between the REIT and the Executive (the “**Prior Agreement**”).

1. **Purpose**

The REIT considers it essential to the best interests of its stockholders to promote and preserve the continuous employment of key management personnel. The Board of Directors of the REIT (the “**Board of Directors**”) recognizes that, as in the case with many corporations, the possibility of a termination of employment exists and that such possibility, and the uncertainty and questions that it may raise among management, may result in the distraction of key management personnel to the detriment of the REIT and its stockholders. Therefore, the Board of Directors has determined that appropriate steps should be taken to reinforce and encourage the continued attention and dedication of members of the REIT’s key management. Nothing in this Agreement shall be construed as creating an express or implied contract of employment and, except as otherwise agreed in writing between the Executive and the REIT, the Executive shall not have any right to be retained in the employ of the REIT.

2. **Definitions**

(a) **Accrued Salary.** “Accrued Salary” shall mean accrued and unpaid base salary through the Date of Termination. In addition, in the event the Executive’s annual bonus for the REIT’s most recently completed fiscal year has not yet been paid to the Executive, then Accrued Salary also shall include such prior fiscal year’s earned, accrued and unpaid bonus.

(b) **Cause.** “Cause” for termination shall mean a determination by the Board of Directors in good faith that any of the following events has occurred: (i) indictment of the Executive of, or the conviction or entry of a plea of guilty or nolo contendere by the Executive to any felony, or any misdemeanor involving moral turpitude; (ii) the Executive engaging in conduct which constitutes a material breach of a fiduciary duty or duty of loyalty, including without limitation, misappropriation of funds or property of the REIT, DiamondRock Hospitality Limited Partnership (the “**Operating Partnership**”) and their subsidiaries (the REIT, the Operating Partnership and their subsidiaries are hereinafter referred to as the “**DiamondRock Group**”) other than an occasional and de minimis use of DiamondRock Group property for personal purposes; (iii) the Executive’s willful failure or gross negligence in the performance of the Executive’s assigned duties for the DiamondRock Group, which failure or gross negligence continues for more than 5 days following the Executive’s receipt of written or electronic notice of such willful failure or gross negligence from the Board of Directors; (iv) any act or omission

of the Executive that has a demonstrated and material adverse impact on the DiamondRock Group's reputation for honesty and fair dealing or any other conduct of the Executive that would reasonably be expected to result in injury to the reputation of the DiamondRock Group; or (v) willful failure to cooperate with a bona fide internal investigation or an investigation by regulatory or law enforcement authorities, after being instructed by the REIT to cooperate, or the willful destruction or failure to preserve documents or other materials known to be relevant to such investigation or the willful inducement of others to fail to cooperate, destroy or fail to produce documents or other materials.

For purposes of this Section 2(b), any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board of Directors or based upon the written advice of counsel for the DiamondRock Group shall be conclusively presumed to be done, or omitted to be done, by the Executive in good faith and in the best interests of the DiamondRock Group. The cessation of employment of the Executive shall not be deemed to be for Cause unless and until there shall have been delivered to the Executive a copy of a resolution duly adopted by the affirmative vote of the Board of Directors, finding that, in the good faith opinion of the Board of Directors, the Executive has engaged in the conduct described in this Section 2(b); provided, that if the Executive is a member of the Board of Directors, the Executive shall not vote on such resolution.

- (c) **Change in Control.** "Change in Control" shall mean any of the following events:
- (i) The conclusion of the acquisition (whether by a merger or otherwise) by any Person (other than a Qualified Affiliate), in a single transaction or a series of related transactions, of Beneficial Ownership of more than 50 % of (1) the REIT's outstanding common stock (the "**Common Stock**") or (2) the combined voting power of the REIT's outstanding securities entitled to vote generally in the election of directors (the "**Outstanding Voting Securities**");
  - (ii) The merger or consolidation of the REIT with or into any other Person other than a Qualified Affiliate, if the directors immediately prior to the merger or consolidation cease to be the majority of the Board of Directors at any time within 12 months of the completion of the merger or consolidation;
  - (iii) Any one or a series of related sales or conveyances to any Person or Persons (including a liquidation or dissolution) other than any one or more Qualified Affiliates of all or substantially all of the assets of the REIT or the Operating Partnership; or
  - (iv) Incumbent Directors cease, for any reason, to be a majority of the members of the Board of Directors, where an "**Incumbent Director**" is (1) an individual who is a member of the Board of



Directors on the effective date of this Agreement or (2) any new director whose appointment by the Board of Directors or whose nomination for election by the stockholders was approved by a majority of the persons who were already Incumbent Directors at the time of such appointment, election or approval, other than any individual who assumes office initially as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board of Directors or as a result of an agreement to avoid or settle such a contest or solicitation.

A Change in Control shall also be deemed to have occurred upon the completion of a tender offer for the REIT's securities representing more than 50% of the Outstanding Voting Securities, other than a tender offer by a Qualified Affiliate.

For purposes of this definition of Change in Control, the following definitions shall apply: (A) "**Beneficial Ownership**," "**Beneficially Owned**" and "**Beneficially Owns**" shall have the meanings provided in Exchange Act Rule 13d-3; (B) "**Exchange Act**" shall mean the Securities Exchange Act of 1934, as amended; (C) "**Person**" shall mean any individual, entity, or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act), including any natural person, corporation, trust, association, company, partnership, joint venture, limited liability company, legal entity of any kind, government, or political subdivision, agency or instrumentality of a government, as well as two or more Persons acting as a partnership, limited partnership, syndicate or other group for the purpose of acquiring, holding or disposing of the REIT's securities; and (D) "**Qualified Affiliate**" shall mean (I) any directly or indirectly wholly owned subsidiary of the REIT or the Operating Partnership; (II) any employee benefit plan (or related trust) sponsored or maintained by the REIT or the Operating Partnership or by any entity controlled by the REIT or the Operating Partnership; or (III) any Person consisting in whole or in part of the Executive or one or more individuals who are then the REIT's Chief Executive Officer or any other named executive officer (as defined in Item 402 of Regulation S-K under the Securities Act of 1933) of the REIT as indicated in its most recent securities filing made before the date of the transaction.

(d) **Date of Termination.** "Date of Termination" shall mean the actual date of the Executive's termination of employment with the REIT.

(e) **Disability.** "Disability" shall mean if the Executive is unable to perform the essential functions of the Executive's position with the REIT, with or without reasonable accommodation, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to result in the Executive's inability to perform the essential functions of the Executive's position with the Company, with or without reasonable accommodation, for a continuous period of not less than 12 months.

(f) **Good Reason.** "Good Reason" for termination shall mean the occurrence of one of the following events, without the Executive's prior written consent, provided such

event is not corrected within 15 days following the Board of Director's receipt of written or electronic notice of such event: (i) a material diminution in the Executive's duties or responsibilities or any material demotion from the Executive's current position at the REIT, including, without limitation: (A) if the Executive is the CEO, either discontinuing the Executive's direct reporting to the Board of Directors or a committee thereof or discontinuing the direct reporting to the CEO by each of the senior executives responsible for finance, legal, acquisition and operations or (B) if the Executive is not the CEO, discontinuing the Executive's reporting directly to the CEO or (C) if the Executive is the Chief Accounting Officer, discontinuing the Executive's reporting directly to the Chief Financial Officer or to the Chief Executive Officer; (ii) if the Executive is a member of the Board of Directors, the failure of the REIT or its affiliates to nominate the Executive as a Director of the REIT; (iii) a requirement that the Executive work principally from a location outside the 50 mile radius from the REIT's address, except for required travel on the REIT's business to the extent substantially consistent with the Executive's business travel obligations on the date hereof; (iv) failure to pay the Executive any compensation, benefits or to honor any indemnification agreement to which the Executive is entitled within 30 days of the date due; or (v) the occurrence of any of the following events or conditions in the year immediately following a Change in Control: (A) a reduction in the Executive's annual base salary or annual bonus opportunity as in effect immediately prior to the Change in Control; and (B) the failure of the REIT to obtain an agreement, reasonably satisfactory to the Executive, from any successor or assign of the REIT to assume and agree to adopt this Agreement for a period of at least two years from the Change in Control.

(g) **Restricted Period.** The "Restricted Period" shall mean the Executive's employment with the REIT, which Restricted Period may be extended for an additional period of 12 months if the Executive is entitled to, and receives, the cash severance specified under Section 3(b)(ii) or 3(e)(ii) hereof.

(h) **Retirement.** As used in this Agreement, "Retirement" shall mean a retirement by the Executive if the Executive has been designated as an eligible retiree by the Board of Directors, in the Board's sole discretion.

### 3. **Effect of Termination**

(a) **Any Termination.** To the extent applicable, the Executive shall be deemed to have resigned from all officer and board member positions that the Executive holds with the REIT or any of its respective subsidiaries or affiliates upon the termination of the Executive's employment for any reason. If the Executive's employment with the REIT terminates for any reason, the Executive shall be entitled to any Accrued Salary. The Executive shall have no rights or claims against the DiamondRock Group except to receive the payments and benefits described in this Section 3. The REIT shall have no further obligations to Executive except as otherwise expressly provided under this Agreement, provided any such termination shall not adversely affect or alter Executive's rights under any employee benefit plan of the REIT in which Executive, at the Date of Termination, has a vested interest, unless otherwise provided in such employee benefit plan or any agreement or other instrument attendant thereto.

None of the benefits described in this Section 3 (other than Accrued Salary) will be payable unless the Executive has signed a separation agreement (the “**Separation Agreement**”), including without limitation a general release which has become irrevocable, satisfactory to the REIT in the reasonable exercise of its discretion, releasing the DiamondRock Group, its affiliates including the REIT, and their officers, directors and employees, from any and all claims or potential claims arising from or related to the Executive’s employment or termination of employment and has resigned from any board member position that the Executive holds with the REIT or any of its respective subsidiaries or affiliates. In addition, the benefits described in this Section 3 (other than Accrued Salary) are conditioned upon the Executive’s ongoing compliance with his/her restrictions, covenants and promises under Sections 4, 5, 6, 7, 9 and 11(e) below (as applicable). Notwithstanding anything herein to the contrary, in order to effectuate the accelerated vesting contemplated by this Section, the unvested portion of the Executive’s unvested time-based restricted stock awards and LTIP Units (as defined in the Amended and Restated Agreement of Limited Partnership of DiamondRock Hospitality Limited Partnership) that would otherwise be forfeited on the Date of Termination will be delayed until the earlier of (A) the effective date of the Separation Agreement (at which time acceleration will occur) (the “**Accelerated Vesting Date**”), or (B) the date that the Separation Agreement can no longer become fully effective (at which time the unvested portion of the Executive’s time-based restricted stock awards and LTIP Units will be forfeited). Notwithstanding the foregoing, no additional time-based vesting of the Executive’s time-based restricted stock awards and LTIP Units shall occur during the period between the Date of Termination and the Accelerated Vesting Date.

(b) **Termination by the REIT without Cause or by Executive for Good Reason.** Except as set forth in Section 3(e), if the REIT terminates the Executive’s employment without Cause, or the Executive terminates the Executive’s employment for Good Reason so as to constitute, in either case, a separation from service for purposes of Code Section 409A, then in addition to the benefits under Section 3(a) above, the Executive shall be entitled to receive the following:

- (i) a pro-rata bonus for the fiscal year determined through the Date of Termination and calculated based on actual achievement of the applicable performance metrics, provided, that any performance metrics based solely on the Executive’s performance shall be deemed achieved at target levels, to be paid in accordance with the Company’s standard payroll practices and paid at such times as such bonuses are typically paid to the Company’s executives;
- (ii) an amount equal to (A) two times (B) the sum of (I) the Executive’s base salary in effect immediately prior to the Date of Termination, and (II) the Executive’s target annual bonus to be paid within 90 days after the Date of Termination;
- (iii) continued payment by the REIT for health insurance coverage for the Executive and the Executive’s spouse and dependents for 18

months, consistent with COBRA following the Date of Termination to the same extent that the REIT paid for such coverage immediately prior to the termination of the Executive's employment and subject to the eligibility requirements and other terms and conditions of such insurance coverage, provided that if any such insurance coverage shall become unavailable and/or the REIT's insurer refuses to continue coverage during the 18 month period, the REIT thereafter shall be obliged only to pay monthly to the Executive an amount which, after reduction for applicable income and employment taxes, is equal to the monthly COBRA premium for such insurance for the remainder of such severance period;

- (iv) vesting as of the Date of Termination of 100% of all unvested time-based restricted stock awards and LTIP Units (as defined in the Amended and Restated Agreement of Limited Partnership of DiamondRock Hospitality Limited Partnership) that were granted to the Executive at least 12 months prior to the Date of Termination and that were granted in connection with the Company's annual long-term incentive program, to the extent permitted by law; and
- (v) vesting as of the Date of Termination of unvested time-based restricted stock awards and LTIP Units that were granted to the Executive less than 12 months prior to the Date of Termination and that were granted in connection with the Company's annual long-term incentive program, to the extent permitted by law, multiplied by a fraction, the numerator of which is the number of days the Executive is employed from the date of grant of such awards through the Date of Termination, and the denominator of which is 365 (or 366, as applicable).

The treatment of equity compensation awards that are either not subject to time-based vesting (such as restricted stock which vests based on one or more performance metrics) or not granted in connection with the Company's annual long-term incentive plan will be specified in the individual grant agreements and/or the applicable plans covering such awards.

(c) **Termination In the Event of Death or Disability.** If the Executive's employment terminates because of the Executive's death or Disability, then in addition to the benefits under Section 3(a) above, the Executive (or the Executive's estate or other legal representatives, as the case may be) shall be entitled to receive:

- (i) a pro-rata bonus for the fiscal year determined through the Date of Termination and calculated based on actual achievement of the applicable performance metrics, provided, that any performance metrics based solely on the Executive's performance shall be

deemed achieved at target levels, to be paid in accordance with the Company's standard payroll practices and paid at such times as such bonuses are typically paid to the Company's executives;

- (ii) continued payment by the REIT for health insurance coverage for the Executive and the Executive's spouse and dependents for 18 months, consistent with COBRA, following the Date of Termination to the same extent that the REIT paid for such coverage immediately prior to the termination of the Executive's employment and subject to the eligibility requirements and other terms and conditions of such insurance coverage, provided that if any such insurance coverage shall become unavailable and/or the REIT's insurer refuses to continue coverage during the 18 month period, the REIT thereafter shall be obliged only to pay monthly to the Executive an amount which, after reduction for applicable income and employment taxes, is equal to the monthly COBRA premium for such insurance for the remainder of such severance period.
- (iii) vesting as of the Date of Termination of 100% of all unvested time-based restricted stock awards and LTIP Units, to the extent permitted by law. The treatment of equity compensation awards that are not time based vesting (such as restricted stock which vests based on one or more performance metrics) granted after the effective date of this agreement will be specified in the individual grant agreements and/or the applicable plans covering such awards.

(d) **Termination In the Event of Retirement.** If the Executive's employment terminates because of the Executive's Retirement, then in addition to the benefits under Section 3(a) above, the Executive shall be entitled to receive the following:

- (i) a pro-rata bonus for the fiscal year determined through the Date of Termination and calculated based on actual achievement of the applicable performance metrics, provided, that any performance metrics based solely on the Executive's performance shall be deemed achieved at target levels, to be paid in accordance with the Company's standard payroll practices and paid at such times as such bonuses are typically paid to the Company's executives; and
- (ii) notwithstanding the Retirement by the Executive, all unvested time-based restricted stock awards and LTIP Units shall continue to vest at the times and on the terms as set forth in the relevant restricted stock award agreements as if the Executive remained continuously employed by the REIT from the Date of Termination through each such vesting date. The treatment of non-time-based equity compensation awards (such as restricted stock which vests

based on one or more performance metrics) granted after the effective date of this agreement will be specified in individual grant agreements and/or the applicable plans covering such awards.

(e) **Termination In the Event of a Change in Control.** If the Executive's employment terminates without Cause or for Good Reason so as to constitute, in either case, a separation from service for purposes of Code Section 409A in the year immediately following a Change in Control, then in addition to the benefits under Section 3(a) above and in lieu of the benefits provided in Section 3(b), the Executive shall be entitled to the following:

- (i) a pro-rata bonus for the fiscal year determined through the Date of Termination and calculated based on the target bonus for such fiscal year to be paid within 90 days after the Date of Termination;
- (ii) an amount equal to (A) three times (B) the sum of (I) the Executive's base salary in effect immediately prior to the Date of Termination, and (II) the Executive's target annual bonus;
- (iii) continued payment by the REIT for health insurance coverage for the Executive and the Executive's spouse and dependents for 18 months, consistent with COBRA following the Date of Termination to the same extent that the REIT paid for such coverage immediately prior to the termination of the Executive's employment and subject to the eligibility requirements and other terms and conditions of such insurance coverage, provided that if any such insurance coverage shall become unavailable and/or the REIT's insurer refuses to continue coverage during the 18 month period, the REIT thereafter shall be obliged only to pay monthly to the Executive an amount which, after reduction for applicable income and employment taxes, is equal to the monthly COBRA premium for such insurance for the remainder of such severance period; and
- (iv) vesting as of the Date of Termination of 100% of all unvested time-based restricted stock awards and LTIP Units, to the extent permitted by law. The treatment of equity compensation awards that are not time based vesting (such as restricted stock which vests based on one or more performance metrics) granted after the effective date of this agreement will be specified in the individual grant agreements and/or the applicable plans covering such awards.

The cash amount due under this clause (e) shall be paid within 90 days after the date of Termination.

(f) **Excise Tax In the Event of a Change in Control.** In the event the Executive's termination of employment occurs in connection with or following a Change in

Control, and in the event that any payment made pursuant to Section 3 hereof or any insurance benefits, accelerated vesting, pro-rated bonus or other benefit payable to the Executive under this Agreement or otherwise (the “**Severance Payments**”), are subject to the excise tax imposed by Section 4999 (as it may be amended or replaced) of the Internal Revenue Code of 1986, as amended (the “**Excise Tax**”); then

- (i) If the reduction of the Severance Payments to the maximum amount that could be paid to the Executive without giving rise to the Excise Tax (the “**Safe Harbor Cap**”) would provide the Executive with a greater after tax benefit than if such amounts were not reduced, then the amounts payable to the Executive under this Agreement shall be reduced (but not below zero) to the Safe Harbor Cap. The reduction of the amounts payable hereunder, if applicable, shall be made by reducing first the payments of cash originating under Section 3 (a)-3(d) hereof, and then by reducing other payments to the extent permitted by any applicable plan and/or agreement.
- (ii) If the reduction for the Severance Payments to the Safe Harbor Cap would not result in a greater after tax result to the Executive, no amounts payable under this agreement shall be reduced pursuant to this provision.
- (iii) The determination of whether the Excise Tax is payable and the amount thereof shall be made in writing in good faith by a nationally recognized independent certified public accounting firm selected by the REIT and approved by the Executive, such approval not to be unreasonably withheld (the “**Accounting Firm**”). For purposes of making the calculations required by this Section 3(e), to the extent not otherwise specified herein, reasonable assumptions and approximations may be made with respect to applicable taxes and reasonable, good faith interpretations of the Code may be relied upon. The REIT and the Executive shall furnish such information and documents as may be reasonably requested in connection with the performance of the calculations under this Section 3(e). The REIT shall bear all costs incurred in connection with the performance of the calculations contemplated by this Section 3(e).

#### 4. **Non-Disparagement**

The Executive agrees that he/she will not, whether during or after the Executive’s employment with the REIT, make any statement, orally or in writing, regardless of whether such statement is truthful, nor take any action, that (a) in any way could disparage the DiamondRock Group or any officers, executives, directors, partners, managers, members, principals, employees, representatives, or agents of the DiamondRock Group, or which foreseeably could or

reasonably could be expected to harm the reputation or goodwill of any of those persons or entities, or (b) in any way, directly or indirectly, could knowingly cause, encourage or condone the making of such statements or the taking of such actions by anyone else. The Executive further acknowledges and agrees that any statement by any member of the Executive's immediate family that would be prohibited by the foregoing if made by the Executive shall be considered to be statement made by the Executive.

## 5. **Confidential Information and Return of Property**

(a) **Confidential Information.** During and after the Executive's employment with the REIT, the Executive shall use best efforts and utmost diligence preserve, protect, and prevent the disclosure of Confidential Information, and shall not, either directly or indirectly, use, misappropriate, disclose or aid any other person in disclosing such Confidential Information. "**Confidential Information**" means information concerning the DiamondRock Group's business, business relationships or financial affairs that the DiamondRock Group has not released to the general public. Confidential Information includes, but is not limited to, all methods, processes, techniques, practices, trade secrets, personnel matters, financial data, operating results, plans, contractual relationships, projections for new business opportunities for new or developing business for the DiamondRock Group, to the extent that such information has been treated as confidential by the DiamondRock Group. Confidential Information also includes, but is not limited to, all notes, records, software, drawings, handbooks, manuals, policies, contracts, memoranda, sales files, or any other documents generated or compiled by any employee of the DiamondRock Group, to the extent that such information has been treated as confidential by the DiamondRock Group. Such information is, and shall remain, the exclusive property of the DiamondRock Group. Notwithstanding the foregoing, Confidential Information shall not include any of the categories of information listed above which (i) is or becomes generally available to the public other than as a result of a disclosure by the Executive, or (ii) becomes known to the Executive on a non-confidential basis from a source other than the DiamondRock Group. For the avoidance of doubt, pursuant to the federal Defend Trade Secrets Act of 2016, the Executive shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (a) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

(b) **Return of Property.** Upon the termination of the Executive's employment with the REIT or at any earlier time as may be specified by the REIT, the Executive shall return to the DiamondRock Group all DiamondRock Group property, including but not limited to security cards, identification badges, credit cards, laptops, printers, fax machines, external media devices, and all documents, files or other written instruments (including copies), whether such material is in paper form or electronic or recorded format.

## 6. **Non-Competition**

(a) **Non-Competition.** Subject to Section 6(b) hereof, the Executive agrees that during the Restricted Period the Executive shall not, without the prior express written



consent of the REIT, directly or indirectly, anywhere in the United States, own an interest in, join, operate, control or participate in, or be connected as an owner, officer, executive, employee, partner, member, manager, shareholder, or principal of or with, any lodging-oriented real estate investment company. Notwithstanding the foregoing, the Executive may own up to one percent (1%) of the outstanding stock of a real estate investment company. The restrictions of this Section 6(a) shall not apply if the Executive's employment with the REIT is terminated without cause by the Company or with Good Reason by the Executive effective during the 12 month period immediately following a Change in Control.

(b) **Board's Discretion.** Notwithstanding anything contained herein, the Board of Directors retains the right, in its sole discretion, to shorten or eliminate the post employment Restricted Period for any Executive.

7. **Non-Solicitation of Employees.** The Executive agrees that while he/she is employed as an employee of the REIT and for a period of 12 months after the termination of the Employee's employment with the REIT for whatever reason, the Employee shall not, without the express written consent of the REIT, hire, solicit, recruit, induce or procure (or assist or encourage any other person or entity to hire, solicit, recruit, induce or procure), directly or indirectly or on behalf of himself or any other person or entity, any officer, executive, director, partner, principal, member, or non-clerical employee of the DiamondRock Group or any person who was an officer, executive, director, partner, principal, member, or non-clerical employee of the DiamondRock Group at any time during the final year of the Executive's employment with the REIT, to work for the Executive or any person or entity with which the Executive is or intends to be affiliated or otherwise directly or indirectly encourage any such person to terminate the Executive's employment or other relationship with the DiamondRock Group without the prior express written consent of the REIT. Notwithstanding anything contained herein, the foregoing shall not restrain the Executive from hiring, soliciting, recruiting, inducing or procuring any person to work for the Executive or any person or entity with which the Executive is or intends to be affiliated if such person was either terminated by the REIT or such person resigned for Good Reason. In addition, the Board of Directors retains the right, in its sole discretion, to release any Executive from its obligations under this Section.

8. **Injunctive Relief.** The Executive understands that the restrictions contained in Sections 4, 5, 6 and 7 of this Agreement are intended to protect the REIT's interests in its proprietary information, goodwill, and its employee and investor relationships, and agrees that such restrictions (and the scope and duration thereof) are necessary, reasonable and appropriate for this purpose. The Executive acknowledges and agrees that it would be difficult to measure any damages caused to the REIT which might result from any breach by the Executive of the Executive's promises and obligations under Sections 4, 5, 6 and/or 7, that the REIT would be irreparably harmed by such breach, and that, in any event, money damages would be an inadequate remedy for any such breach. Therefore, the Executive agrees and consents that the REIT shall be entitled to an injunction or other appropriate equitable relief (in addition to all other remedies it may have for damages or otherwise) to restrain any such breach or threatened breach without showing or proving any actual damage to the REIT. The REIT shall be entitled

to an award of its attorneys' fees and costs incurred in enforcing the Executive's obligations under Sections 4, 5, 6, 7, 9 and 11(e).

9. **Compensation Recovery Acknowledgement.** The Executive acknowledges that the Executive is a "Covered Person" for purposes of the Company's Compensation Recovery Policy, adopted as of August 1, 2023 and as may be amended from time to time (the "**Compensation Recovery Policy**"). The Executive agrees that in the event of "Material Financial Restatement," as defined in the Compensation Recovery Policy, and a demand by the Company for return of any "Erroneously Awarded Compensation," as defined in the Compensation Recovery Policy, the Executive shall promptly return any such Erroneously Awarded Compensation, regardless of whether such demand is made during or after the Executive's employment.

10. **Protected Disclosures and Other Protected Actions.** Nothing contained in this Agreement limits the Executive's ability to file a charge or complaint with any federal, state or local governmental agency or commission (a "**Government Agency**"). In addition, nothing contained in this Agreement limits the Executive's ability or that of any other person to communicate with any Government Agency or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including the Executive's ability or that of any other person to provide documents or other information to a Government Agency, without notice to the Company, nor does anything contained in this Agreement apply to truthful testimony in litigation; *provided* that the Executive may not share any communication or other information that is subject to the Company's attorney-client privilege. If the Executive files any charge or complaint with any Government Agency and if the Government Agency pursues any claim on the Executive's behalf, or if any other third party pursues any claim on the Executive's behalf, the Executive waives any right to monetary or other individualized relief (either individually, or as part of any collective or class action); *provided* that nothing in this Agreement limits any right the Executive may have to receive a whistleblower award or bounty for information provided to the Securities and Exchange Commission.

#### 11. **Miscellaneous**

(a) **409A.** Notwithstanding anything to the contrary, if the Executive is a "key employee" (as defined in Section 416(i) of the Code without regard to paragraph (5) thereof) and any of the REIT's stock is publicly traded on an established securities market or otherwise, to the extent necessary to avoid any penalties under Section 409A of the Code, any payment hereunder may not be made before the date that is six months after the date of separation from service.

(b) **Tax Withholding.** All payments made by the REIT under this Agreement shall be net of any tax or other amounts required to be withheld by the REIT under applicable law.

(c) **No Mitigation.** The REIT agrees that, if the Executive's employment by the REIT is terminated during the term of this Agreement, the Executive is not required to seek other employment or to attempt in any way to reduce any amounts payable to the Executive by the REIT pursuant to Section 3 hereof. Further, the amount of any payment provided for in this

Agreement shall not be reduced by any compensation earned by the Executive as the result of employment by another employer, by retirement benefits, by offset against any amount claimed to be owed by the Executive to the REIT or otherwise.

(d) **No Offset.** The REIT's obligation to make the payments provided for in this Agreement and otherwise perform its obligations hereunder shall not be affected by any circumstances, including, without limitation, any set-off, counterclaim, recoupment, defense or other right which the REIT, the Operating Partnership or any of their subsidiaries may have against the Executive or others unless such set-off, counterclaim, recoupment, defense, or other right arises from the Executive engaging in conduct which constitutes a material breach of a fiduciary duty or duty of loyalty, including without limitation, misappropriation of funds or property of the Operating Partnership and their subsidiaries.

(e) **Litigation and Regulatory Cooperation.** During and after Executive's employment, Executive shall reasonably cooperate with the REIT in the defense or prosecution of any claims or actions now in existence or which may be brought in the future against or on behalf of the REIT which relate to events or occurrences that transpired while Executive was employed by the REIT; provided, however, that such cooperation shall not materially and adversely affect Executive or expose Executive to an increased probability of civil or criminal litigation. Executive's cooperation in connection with such claims or actions shall include, but not be limited to, being available to meet with counsel to prepare for discovery or trial and to act as a witness on behalf of the REIT at mutually convenient times. During and after Executive's employment, Executive also shall cooperate fully with the REIT in connection with any investigation or review of any federal, state or local regulatory authority as any such investigation or review relates to events or occurrences that transpired while Executive was employed by the REIT. The REIT shall also provide Executive with compensation on an hourly basis (to be derived from the sum of the Executive's Base Salary and average annual incentive compensation) for requested litigation and regulatory cooperation that occurs after the Executive's termination of employment (other than for time spent testifying and related travel and waiting time), and reimburse Executive for all costs and expenses incurred in connection with the Executive's performance under this Section 11(e), including, but not limited to, reasonable attorneys' fees and costs.

(f) **Notices.** All notices required or permitted under this Agreement shall be in writing and shall be deemed effective (i) upon personal delivery, (ii) upon deposit with the United States Postal Service, by registered or certified mail, postage prepaid, or (iii) in the case of facsimile transmission or delivery by nationally recognized overnight delivery service, when received, addressed as follows:

If to the REIT, to:

DiamondRock Hospitality Company  
2 Bethesda Metro, Suite 1400  
Bethesda, MD 20814  
Facsimile: (240) 744-1199

Attn: 1) Lead Director; 2) Chairman of the Board and 3) Chairman of the Compensation Committee

If to the Executive, to:

Mr. Jeffrey Donnelly

[\*\*\*]

[\*\*\*]

or to such other address or addresses as either party shall designate to the other in writing from time to time by like notice.

(g) **Pronouns.** Whenever the context may require, any pronouns used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular forms of nouns and pronouns shall include the plural, and vice versa.

(h) **Entire Agreement.** This Agreement constitutes the entire agreement between the parties and supersedes all prior agreements and understandings, whether written or oral, relating to the subject matter of this Agreement, including, without limitation, the Prior Agreement, except that if and to the extent that any agreement that grants equity to the Executive states expressly that any provision of such agreement supersedes or otherwise applies notwithstanding the terms of any severance or employment agreement between the Executive and the REIT or any other member of the DiamondRock Group, such provision shall supersede or otherwise apply in place of any conflicting provision of this Agreement.

(i) **Amendment.** This Agreement may be amended or modified only by a written instrument executed by both the REIT and the Executive.

(j) **Governing Law and Forum.** This Agreement shall be construed, interpreted and enforced in accordance with the laws of the State of Maryland, without regard to its conflicts of laws principles, by a court of competent jurisdiction located within the State of Maryland.

(k) **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of both parties and their respective successors and assigns, including any entity with which or into which the REIT may be merged or which may succeed to its assets or business or any entity to which the REIT may assign its rights and obligations under this Agreement; provided, however, that the obligations of the Executive are personal and shall not be assigned or delegated by him.

(l) **Waiver.** No delays or omission by the REIT or the Executive in exercising any right under this Agreement shall operate as a waiver of that or any other right. A waiver or consent given by the REIT or the Executive on any one occasion shall be effective only in that instance and shall not be construed as a bar or waiver of any right on any other occasion.

(m) **Captions.** The captions appearing in this Agreement are for convenience of reference only and in no way define, limit or affect the scope or substance of any section of this Agreement.

(n) **Severability.** In case any provision of this Agreement shall be held by a court or arbitrator with jurisdiction over the parties to this Agreement to be invalid, illegal or otherwise unenforceable, such provision shall be restated to reflect as nearly as possible the original intentions of the parties in accordance with applicable law, and the validity, legality and enforceability of the remaining provisions shall in no way be affected or impaired thereby. In the event that any portion or provision of this Agreement (including, without limitation, any portion or provision of Sections 4, 5, 6 or 7) is determined by a court or arbitrator of competent jurisdiction to be invalid, illegal or otherwise unenforceable by reason of excessive scope as to geographic, temporal or functional coverage, such provision will be reformed and deemed to extend only over the maximum geographic, temporal and functional scope as to which it may be enforceable and shall be enforced by said court or arbitrator accordingly.

(o) **Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

DIAMONDROCK HOSPITALITY COMPANY

By:

/s/ William J. Tennis

William J. Tennis

Executive Vice President, General Counsel and Corporate Secretary

EXECUTIVE

/s/ Jeffrey Donnelly

Jeffrey Donnelly

Chief Executive Officer

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**AMENDED AND RESTATED**  
**SEVERANCE AGREEMENT**

THIS AMENDED AND RESTATED SEVERANCE AGREEMENT (the “**Agreement**”) is made on May 14, 2024, by **DiamondRock Hospitality Company**, a Maryland corporation (the “**REIT**”), with its principal place of business at 2 Bethesda Metro Center, Suite 1400, Bethesda, Maryland 20814 and **Justin L. Leonard**, residing at [\*\*\*] (the “**Executive**”). This Agreement is effective as of May 14, 2024 and amends and restates the Severance Agreement, dated July 31, 2022 between the REIT and the Executive (the “**Prior Agreement**”).

**1. Purpose**

The REIT considers it essential to the best interests of its stockholders to promote and preserve the continuous employment of key management personnel. The Board of Directors of the REIT (the “**Board of Directors**”) recognizes that, as in the case with many corporations, the possibility of a termination of employment exists and that such possibility, and the uncertainty and questions that it may raise among management, may result in the distraction of key management personnel to the detriment of the REIT and its stockholders. Therefore, the Board of Directors has determined that appropriate steps should be taken to reinforce and encourage the continued attention and dedication of members of the REIT’s key management. Nothing in this Agreement shall be construed as creating an express or implied contract of employment and, except as otherwise agreed in writing between the Executive and the REIT, the Executive shall not have any right to be retained in the employ of the REIT.

**2. Definitions**

(a) **Accrued Salary.** “Accrued Salary” shall mean accrued and unpaid base salary through the Date of Termination. In addition, in the event the Executive’s annual bonus for the REIT’s most recently completed fiscal year has not yet been paid to the Executive, then Accrued Salary also shall include such prior fiscal year’s earned, accrued and unpaid bonus.

(b) **Cause.** “Cause” for termination shall mean a determination by the Board of Directors in good faith that any of the following events has occurred: (i) indictment of the Executive of, or the conviction or entry of a plea of guilty or nolo contendere by the Executive to any felony, or any misdemeanor involving moral turpitude; (ii) the Executive engaging in conduct which constitutes a material breach of a fiduciary duty or duty of loyalty, including without limitation, misappropriation of funds or property of the REIT, DiamondRock Hospitality Limited Partnership (the “**Operating Partnership**”) and their subsidiaries (the REIT, the Operating Partnership and their subsidiaries are hereinafter referred to as the “**DiamondRock Group**”) other than an occasional and de minimis use of DiamondRock Group property for personal purposes; (iii) the Executive’s willful failure or gross negligence in the performance of the Executive’s assigned duties for the DiamondRock Group, which failure or gross negligence continues for more than 5 days following the Executive’s receipt of written or electronic notice of such willful failure or gross negligence from the Board of Directors, Chief Financial Officer

or Chief Executive Officer; (iv) any act or omission of the Executive that has a demonstrated and material adverse impact on the DiamondRock Group's reputation for honesty and fair dealing or any other conduct of the Executive that would reasonably be expected to result in injury to the reputation of the DiamondRock Group; or (v) willful failure to cooperate with a bona fide internal investigation or an investigation by regulatory or law enforcement authorities, after being instructed by the REIT to cooperate, or the willful destruction or failure to preserve documents or other materials known to be relevant to such investigation or the willful inducement of others to fail to cooperate, destroy or fail to produce documents or other materials.

For purposes of this Section 2(b), any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board of Directors or based upon the written advice of counsel for the DiamondRock Group shall be conclusively presumed to be done, or omitted to be done, by the Executive in good faith and in the best interests of the DiamondRock Group. The cessation of employment of the Executive shall not be deemed to be for Cause unless and until there shall have been delivered to the Executive a copy of a resolution duly adopted by the affirmative vote of the Board of Directors, finding that, in the good faith opinion of the Board of Directors, the Executive has engaged in the conduct described in this Section 2(b); provided, that if the Executive is a member of the Board of Directors, the Executive shall not vote on such resolution.

- (c) **Change in Control.** "Change in Control" shall mean any of the following events:
- (i) The conclusion of the acquisition (whether by a merger or otherwise) by any Person (other than a Qualified Affiliate), in a single transaction or a series of related transactions, of Beneficial Ownership of more than 50 % of (1) the REIT's outstanding common stock (the "**Common Stock**") or (2) the combined voting power of the REIT's outstanding securities entitled to vote generally in the election of directors (the "**Outstanding Voting Securities**");
  - (ii) The merger or consolidation of the REIT with or into any other Person other than a Qualified Affiliate, if the directors immediately prior to the merger or consolidation cease to be the majority of the Board of Directors at any time within 12 months of the completion of the merger or consolidation;
  - (iii) Any one or a series of related sales or conveyances to any Person or Persons (including a liquidation or dissolution) other than any one or more Qualified Affiliates of all or substantially all of the assets of the REIT or the Operating Partnership; or
  - (iv) Incumbent Directors cease, for any reason, to be a majority of the members of the Board of Directors, where an "**Incumbent Director**" is (1) an individual who is a member of the Board of



Directors on the effective date of this Agreement or (2) any new director whose appointment by the Board of Directors or whose nomination for election by the stockholders was approved by a majority of the persons who were already Incumbent Directors at the time of such appointment, election or approval, other than any individual who assumes office initially as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board of Directors or as a result of an agreement to avoid or settle such a contest or solicitation.

A Change in Control shall also be deemed to have occurred upon the completion of a tender offer for the REIT's securities representing more than 50% of the Outstanding Voting Securities, other than a tender offer by a Qualified Affiliate.

For purposes of this definition of Change in Control, the following definitions shall apply: (A) "**Beneficial Ownership**," "**Beneficially Owned**" and "**Beneficially Owns**" shall have the meanings provided in Exchange Act Rule 13d-3; (B) "**Exchange Act**" shall mean the Securities Exchange Act of 1934, as amended; (C) "**Person**" shall mean any individual, entity, or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act), including any natural person, corporation, trust, association, company, partnership, joint venture, limited liability company, legal entity of any kind, government, or political subdivision, agency or instrumentality of a government, as well as two or more Persons acting as a partnership, limited partnership, syndicate or other group for the purpose of acquiring, holding or disposing of the REIT's securities; and (D) "**Qualified Affiliate**" shall mean (I) any directly or indirectly wholly owned subsidiary of the REIT or the Operating Partnership; (II) any employee benefit plan (or related trust) sponsored or maintained by the REIT or the Operating Partnership or by any entity controlled by the REIT or the Operating Partnership; or (III) any Person consisting in whole or in part of the Executive or one or more individuals who are then the REIT's Chief Executive Officer or any other named executive officer (as defined in Item 402 of Regulation S-K under the Securities Act of 1933) of the REIT as indicated in its most recent securities filing made before the date of the transaction.

(d) **Date of Termination.** "Date of Termination" shall mean the actual date of the Executive's termination of employment with the REIT.

(e) **Disability.** "Disability" shall mean if the Executive is unable to perform the essential functions of the Executive's position with the REIT, with or without reasonable accommodation, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to result in the Executive's inability to perform the essential functions of the Executive's position with the Company, with or without reasonable accommodation, for a continuous period of not less than 12 months.

(f) **Good Reason.** "Good Reason" for termination shall mean the occurrence of one of the following events, without the Executive's prior written consent, provided such

event is not corrected within 15 days following the Board of Director's receipt of written or electronic notice of such event: (i) a material diminution in the Executive's duties or responsibilities or any material demotion from the Executive's current position at the REIT, including, without limitation: (A) if the Executive is the CEO, either discontinuing the Executive's direct reporting to the Board of Directors or a committee thereof or discontinuing the direct reporting to the CEO by each of the senior executives responsible for finance, legal, acquisition and operations or (B) if the Executive is not the CEO, discontinuing the Executive's reporting directly to the CEO or (C) if the Executive is the Chief Accounting Officer, discontinuing the Executive's reporting directly to the Chief Financial Officer or to the Chief Executive Officer; (ii) if the Executive is a member of the Board of Directors, the failure of the REIT or its affiliates to nominate the Executive as a Director of the REIT; (iii) a requirement that the Executive work principally from a location outside the 50 mile radius from the REIT's address, except for required travel on the REIT's business to the extent substantially consistent with the Executive's business travel obligations on the date hereof; (iv) failure to pay the Executive any compensation, benefits or to honor any indemnification agreement to which the Executive is entitled within 30 days of the date due; or (v) the occurrence of any of the following events or conditions in the year immediately following a Change in Control: (A) a reduction in the Executive's annual base salary or annual bonus opportunity as in effect immediately prior to the Change in Control; and (B) the failure of the REIT to obtain an agreement, reasonably satisfactory to the Executive, from any successor or assign of the REIT to assume and agree to adopt this Agreement for a period of at least two years from the Change in Control.

(g) **Restricted Period.** The "Restricted Period" shall mean the Executive's employment with the REIT, which Restricted Period may be extended for an additional period of 12 months if the Executive is entitled to, and receives, the cash severance specified under Section 3(b)(ii) or 3(e)(ii) hereof.

(h) **Retirement.** As used in this Agreement, "Retirement" shall mean a retirement by the Executive if the Executive has been designated as an eligible retiree by the Board of Directors, in the Board's sole discretion.

### 3. **Effect of Termination**

(a) **Any Termination.** To the extent applicable, the Executive shall be deemed to have resigned from all officer and board member positions that the Executive holds with the REIT or any of its respective subsidiaries or affiliates upon the termination of the Executive's employment for any reason. If the Executive's employment with the REIT terminates for any reason, the Executive shall be entitled to any Accrued Salary. The Executive shall have no rights or claims against the DiamondRock Group except to receive the payments and benefits described in this Section 3. The REIT shall have no further obligations to Executive except as otherwise expressly provided under this Agreement, provided any such termination shall not adversely affect or alter Executive's rights under any employee benefit plan of the REIT in which Executive, at the Date of Termination, has a vested interest, unless otherwise provided in such employee benefit plan or any agreement or other instrument attendant thereto.

None of the benefits described in this Section 3 (other than Accrued Salary) will be payable unless the Executive has signed a separation agreement (the “**Separation Agreement**”), including without limitation a general release which has become irrevocable, satisfactory to the REIT in the reasonable exercise of its discretion, releasing the DiamondRock Group, its affiliates including the REIT, and their officers, directors and employees, from any and all claims or potential claims arising from or related to the Executive’s employment or termination of employment and has resigned from any board member position that the Executive holds with the REIT or any of its respective subsidiaries or affiliates. In addition, the benefits described in this Section 3 (other than Accrued Salary) are conditioned upon the Executive’s ongoing compliance with his/her restrictions, covenants and promises under Sections 4, 5, 6, 7, 9 and 11(e) below (as applicable). Notwithstanding anything herein to the contrary, in order to effectuate the accelerated vesting contemplated by this Section 3, the unvested portion of the Executive’s unvested time-based restricted stock awards and LTIP Units (as defined in the Amended and Restated Agreement of Limited Partnership of DiamondRock Hospitality Limited Partnership) that would otherwise be forfeited on the Date of Termination will be delayed until the earlier of (A) the effective date of the Separation Agreement (at which time acceleration will occur) (the “**Accelerated Vesting Date**”), or (B) the date that the Separation Agreement can no longer become fully effective (at which time the unvested portion of the Executive’s time-based restricted stock awards and LTIP Units will be forfeited). Notwithstanding the foregoing, no additional time-based vesting of the Executive’s time-based restricted stock awards and LTIP Units shall occur during the period between the Date of Termination and the Accelerated Vesting Date.

(b) **Termination by the REIT without Cause or by Executive for Good Reason.** Except as set forth in Section 3(e), if the REIT terminates the Executive’s employment without Cause, or the Executive terminates the Executive’s employment for Good Reason so as to constitute, in either case, a separation from service for purposes of Code Section 409A, then in addition to the benefits under Section 3(a) above, the Executive shall be entitled to receive the following:

- (i) a pro-rata bonus for the fiscal year determined through the Date of Termination and calculated based on actual achievement of the applicable performance metrics, provided, that any performance metrics based solely on the Executive’s performance shall be deemed achieved at target levels, to be paid in accordance with the Company’s standard payroll practices and paid at such times as such bonuses are typically paid to the Company’s executives;
- (ii) an amount equal to (A) two times (B) the sum of (I) the Executive’s base salary in effect immediately prior to the Date of Termination, and (II) the Executive’s target annual bonus to be paid within 90 days after the Date of Termination;
- (iii) continued payment by the REIT for health insurance coverage for the Executive and the Executive’s spouse and dependents for 18

months, consistent with COBRA following the Date of Termination to the same extent that the REIT paid for such coverage immediately prior to the termination of the Executive's employment and subject to the eligibility requirements and other terms and conditions of such insurance coverage, provided that if any such insurance coverage shall become unavailable and/or the REIT's insurer refuses to continue coverage during the 18 month period, the REIT thereafter shall be obliged only to pay monthly to the Executive an amount which, after reduction for applicable income and employment taxes, is equal to the monthly COBRA premium for such insurance for the remainder of such severance period;

- (iv) vesting as of the Date of Termination of 100% of all unvested time-based restricted stock awards and LTIP Units (as defined in the Amended and Restated Agreement of Limited Partnership of DiamondRock Hospitality Limited Partnership) that were granted to the Executive at least 12 months prior to the Date of Termination and that were granted in connection with the Company's annual long-term incentive program, to the extent permitted by law; and
- (v) vesting as of the Date of Termination of unvested time-based restricted stock awards and LTIP Units that were granted to the Executive less than 12 months prior to the Date of Termination and that were granted in connection with the Company's annual long-term incentive program, to the extent permitted by law, multiplied by a fraction, the numerator of which is the number of days the Executive is employed from the date of grant of such awards through the Date of Termination, and the denominator of which is 365 (or 366, as applicable).

The treatment of equity compensation awards that are either not subject to time-based vesting (such as restricted stock which vests based on one or more performance metrics) or not granted in connection with the Company's annual long-term incentive plan will be specified in the individual grant agreements and/or the applicable plans covering such awards.

(c) **Termination In the Event of Death or Disability.** If the Executive's employment terminates because of the Executive's death or Disability, then in addition to the benefits under Section 3(a) above, the Executive (or the Executive's estate or other legal representatives, as the case may be) shall be entitled to receive:

- (i) a pro-rata bonus for the fiscal year determined through the Date of Termination and calculated based on actual achievement of the applicable performance metrics, provided, that any performance metrics based solely on the Executive's performance shall be

deemed achieved at target levels, to be paid in accordance with the Company's standard payroll practices and paid at such times as such bonuses are typically paid to the Company's executives;

- (ii) continued payment by the REIT for health insurance coverage for the Executive and the Executive's spouse and dependents for 18 months, consistent with COBRA, following the Date of Termination to the same extent that the REIT paid for such coverage immediately prior to the termination of the Executive's employment and subject to the eligibility requirements and other terms and conditions of such insurance coverage, provided that if any such insurance coverage shall become unavailable and/or the REIT's insurer refuses to continue coverage during the 18 month period, the REIT thereafter shall be obliged only to pay monthly to the Executive an amount which, after reduction for applicable income and employment taxes, is equal to the monthly COBRA premium for such insurance for the remainder of such severance period.
- (iii) vesting as of the Date of Termination of 100% of all unvested time-based restricted stock awards and LTIP Units, to the extent permitted by law. The treatment of equity compensation awards that are not time based vesting (such as restricted stock which vests based on one or more performance metrics) granted after the effective date of this agreement will be specified in the individual grant agreements and/or the applicable plans covering such awards.

(d) **Termination In the Event of Retirement.** If the Executive's employment terminates because of the Executive's Retirement, then in addition to the benefits under Section 3(a) above, the Executive shall be entitled to receive the following:

- (i) a pro-rata bonus for the fiscal year determined through the Date of Termination and calculated based on actual achievement of the applicable performance metrics, provided, that any performance metrics based solely on the Executive's performance shall be deemed achieved at target levels, to be paid in accordance with the Company's standard payroll practices and paid at such times as such bonuses are typically paid to the Company's executives; and
- (ii) notwithstanding the Retirement by the Executive, all unvested time-based restricted stock awards and LTIP Units shall continue to vest at the times and on the terms as set forth in the relevant restricted stock award agreements as if the Executive remained continuously employed by the REIT from the Date of Termination through each such vesting date. The treatment of non-time-based equity compensation awards (such as restricted stock which vests

based on one or more performance metrics) granted after the effective date of this agreement will be specified in individual grant agreements and/or the applicable plans covering such awards.

(e) **Termination In the Event of a Change in Control.** If the Executive's employment terminates without Cause or for Good Reason so as to constitute, in either case, a separation from service for purposes of Code Section 409A in the year immediately following a Change in Control, then in addition to the benefits under Section 3(a) above and in lieu of the benefits provided in Section 3(b), the Executive shall be entitled to the following:

- (i) a pro-rata bonus for the fiscal year determined through the Date of Termination and calculated based on the target bonus for such fiscal year to be paid within 90 days after the Date of Termination;
- (ii) an amount equal to (A) three times (B) the sum of (I) the Executive's base salary in effect immediately prior to the Date of Termination, and (II) the Executive's target annual bonus;
- (iii) continued payment by the REIT for health insurance coverage for the Executive and the Executive's spouse and dependents for 18 months, consistent with COBRA following the Date of Termination to the same extent that the REIT paid for such coverage immediately prior to the termination of the Executive's employment and subject to the eligibility requirements and other terms and conditions of such insurance coverage, provided that if any such insurance coverage shall become unavailable and/or the REIT's insurer refuses to continue coverage during the 18 month period, the REIT thereafter shall be obliged only to pay monthly to the Executive an amount which, after reduction for applicable income and employment taxes, is equal to the monthly COBRA premium for such insurance for the remainder of such severance period; and
- (iv) vesting as of the Date of Termination of 100% of all unvested time-based restricted stock awards and LTIP Units, to the extent permitted by law. The treatment of equity compensation awards that are not time based vesting (such as restricted stock which vests based on one or more performance metrics) granted after the effective date of this agreement will be specified in the individual grant agreements and/or the applicable plans covering such awards.

The cash amount due under this clause (e) shall be paid within 90 days after the date of Termination.

(f) **Excise Tax In the Event of a Change in Control.** In the event the Executive's termination of employment occurs in connection with or following a Change in

Control, and in the event that any payment made pursuant to Section 3 hereof or any insurance benefits, accelerated vesting, pro-rated bonus or other benefit payable to the Executive under this Agreement or otherwise (the “**Severance Payments**”), are subject to the excise tax imposed by Section 4999 (as it may be amended or replaced) of the Internal Revenue Code of 1986, as amended (the “**Excise Tax**”); then

- (i) If the reduction of the Severance Payments to the maximum amount that could be paid to the Executive without giving rise to the Excise Tax (the “**Safe Harbor Cap**”) would provide the Executive with a greater after tax benefit than if such amounts were not reduced, then the amounts payable to the Executive under this Agreement shall be reduced (but not below zero) to the Safe Harbor Cap. The reduction of the amounts payable hereunder, if applicable, shall be made by reducing first the payments of cash originating under Section 3 (a)-3(d) hereof, and then by reducing other payments to the extent permitted by any applicable plan and/or agreement.
- (ii) If the reduction for the Severance Payments to the Safe Harbor Cap would not result in a greater after tax result to the Executive, no amounts payable under this agreement shall be reduced pursuant to this provision.
- (iii) The determination of whether the Excise Tax is payable and the amount thereof shall be made in writing in good faith by a nationally recognized independent certified public accounting firm selected by the REIT and approved by the Executive, such approval not to be unreasonably withheld (the “**Accounting Firm**”). For purposes of making the calculations required by this Section 3(e), to the extent not otherwise specified herein, reasonable assumptions and approximations may be made with respect to applicable taxes and reasonable, good faith interpretations of the Code may be relied upon. The REIT and the Executive shall furnish such information and documents as may be reasonably requested in connection with the performance of the calculations under this Section 3(e). The REIT shall bear all costs incurred in connection with the performance of the calculations contemplated by this Section 3(e).

#### 4. **Non-Disparagement**

The Executive agrees that he/she will not, whether during or after the Executive’s employment with the REIT, make any statement, orally or in writing, regardless of whether such statement is truthful, nor take any action, that (a) in any way could disparage the DiamondRock Group or any officers, executives, directors, partners, managers, members, principals, employees, representatives, or agents of the DiamondRock Group, or which foreseeably could or

reasonably could be expected to harm the reputation or goodwill of any of those persons or entities, or (b) in any way, directly or indirectly, could knowingly cause, encourage or condone the making of such statements or the taking of such actions by anyone else. The Executive further acknowledges and agrees that any statement by any member of the Executive's immediate family that would be prohibited by the foregoing if made by the Executive shall be considered to be statement made by the Executive.

## 5. **Confidential Information and Return of Property**

(a) **Confidential Information.** During and after the Executive's employment with the REIT, the Executive shall use best efforts and utmost diligence preserve, protect, and prevent the disclosure of Confidential Information, and shall not, either directly or indirectly, use, misappropriate, disclose or aid any other person in disclosing such Confidential Information. "**Confidential Information**" means information concerning the DiamondRock Group's business, business relationships or financial affairs that the DiamondRock Group has not released to the general public. Confidential Information includes, but is not limited to, all methods, processes, techniques, practices, trade secrets, personnel matters, financial data, operating results, plans, contractual relationships, projections for new business opportunities for new or developing business for the DiamondRock Group, to the extent that such information has been treated as confidential by the DiamondRock Group. Confidential Information also includes, but is not limited to, all notes, records, software, drawings, handbooks, manuals, policies, contracts, memoranda, sales files, or any other documents generated or compiled by any employee of the DiamondRock Group, to the extent that such information has been treated as confidential by the DiamondRock Group. Such information is, and shall remain, the exclusive property of the DiamondRock Group. Notwithstanding the foregoing, Confidential Information shall not include any of the categories of information listed above which (i) is or becomes generally available to the public other than as a result of a disclosure by the Executive, or (ii) becomes known to the Executive on a non-confidential basis from a source other than the DiamondRock Group. For the avoidance of doubt, pursuant to the federal Defend Trade Secrets Act of 2016, the Executive shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (a) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

(b) **Return of Property.** Upon the termination of the Executive's employment with the REIT or at any earlier time as may be specified by the REIT, the Executive shall return to the DiamondRock Group all DiamondRock Group property, including but not limited to security cards, identification badges, credit cards, laptops, printers, fax machines, external media devices, and all documents, files or other written instruments (including copies), whether such material is in paper form or electronic or recorded format.

## 6. **Non-Competition**

(a) **Non-Competition.** Subject to Section 6(b) hereof, the Executive agrees that during the Restricted Period the Executive shall not, without the prior express written



consent of the REIT, directly or indirectly, anywhere in the United States, own an interest in, join, operate, control or participate in, or be connected as an owner, officer, executive, employee, partner, member, manager, shareholder, or principal of or with, any lodging-oriented real estate investment company. Notwithstanding the foregoing, the Executive may own up to one percent (1%) of the outstanding stock of a real estate investment company. The restrictions of this Section 6(a) shall not apply if the Executive's employment with the REIT is terminated without cause by the Company or with Good Reason by the Executive effective during the 12 month period immediately following a Change in Control.

(b) **Board's Discretion.** Notwithstanding anything contained herein, the Board of Directors retains the right, in its sole discretion, to shorten or eliminate the post employment Restricted Period for any Executive.

7. **Non-Solicitation of Employees.** The Executive agrees that while he/she is employed as an employee of the REIT and for a period of 12 months after the termination of the Employee's employment with the REIT for whatever reason, the Employee shall not, without the express written consent of the REIT, hire, solicit, recruit, induce or procure (or assist or encourage any other person or entity to hire, solicit, recruit, induce or procure), directly or indirectly or on behalf of himself or any other person or entity, any officer, executive, director, partner, principal, member, or non-clerical employee of the DiamondRock Group or any person who was an officer, executive, director, partner, principal, member, or non-clerical employee of the DiamondRock Group at any time during the final year of the Executive's employment with the REIT, to work for the Executive or any person or entity with which the Executive is or intends to be affiliated or otherwise directly or indirectly encourage any such person to terminate the Executive's employment or other relationship with the DiamondRock Group without the prior express written consent of the REIT. Notwithstanding anything contained herein, the foregoing shall not restrain the Executive from hiring, soliciting, recruiting, inducing or procuring any person to work for the Executive or any person or entity with which the Executive is or intends to be affiliated if such person was either terminated by the REIT or such person resigned for Good Reason. In addition, the Board of Directors retains the right, in its sole discretion, to release any Executive from its obligations under this Section.

8. **Injunctive Relief.** The Executive understands that the restrictions contained in Sections 4, 5, 6 and 7 of this Agreement are intended to protect the REIT's interests in its proprietary information, goodwill, and its employee and investor relationships, and agrees that such restrictions (and the scope and duration thereof) are necessary, reasonable and appropriate for this purpose. The Executive acknowledges and agrees that it would be difficult to measure any damages caused to the REIT which might result from any breach by the Executive of the Executive's promises and obligations under Sections 4, 5, 6 and/or 7, that the REIT would be irreparably harmed by such breach, and that, in any event, money damages would be an inadequate remedy for any such breach. Therefore, the Executive agrees and consents that the REIT shall be entitled to an injunction or other appropriate equitable relief (in addition to all other remedies it may have for damages or otherwise) to restrain any such breach or threatened breach without showing or proving any actual damage to the REIT. The REIT shall be entitled

to an award of its attorneys' fees and costs incurred in enforcing the Executive's obligations under Sections 4, 5, 6, 7, 9 and 11(e).

9. **Compensation Recovery Acknowledgement.** The Executive acknowledges that the Executive is a "Covered Person" for purposes of the Company's Compensation Recovery Policy, adopted as of August 1, 2023 and as may be amended from time to time (the "**Compensation Recovery Policy**"). The Executive agrees that in the event of "Material Financial Restatement," as defined in the Compensation Recovery Policy, and a demand by the Company for return of any "Erroneously Awarded Compensation," as defined in the Compensation Recovery Policy, the Executive shall promptly return any such Erroneously Awarded Compensation, regardless of whether such demand is made during or after the Executive's employment.

10. **Protected Disclosures and Other Protected Actions.** Nothing contained in this Agreement limits the Executive's ability to file a charge or complaint with any federal, state or local governmental agency or commission (a "**Government Agency**"). In addition, nothing contained in this Agreement limits the Executive's ability or that of any other person to communicate with any Government Agency or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including the Executive's ability or that of any other person to provide documents or other information to a Government Agency, without notice to the Company, nor does anything contained in this Agreement apply to truthful testimony in litigation; *provided* that the Executive may not share any communication or other information that is subject to the Company's attorney-client privilege. If the Executive files any charge or complaint with any Government Agency and if the Government Agency pursues any claim on the Executive's behalf, or if any other third party pursues any claim on the Executive's behalf, the Executive waives any right to monetary or other individualized relief (either individually, or as part of any collective or class action); *provided* that nothing in this Agreement limits any right the Executive may have to receive a whistleblower award or bounty for information provided to the Securities and Exchange Commission.

#### 11. **Miscellaneous**

(a) **409A.** Notwithstanding anything to the contrary, if the Executive is a "key employee" (as defined in Section 416(i) of the Code without regard to paragraph (5) thereof) and any of the REIT's stock is publicly traded on an established securities market or otherwise, to the extent necessary to avoid any penalties under Section 409A of the Code, any payment hereunder may not be made before the date that is six months after the date of separation from service.

(b) **Tax Withholding.** All payments made by the REIT under this Agreement shall be net of any tax or other amounts required to be withheld by the REIT under applicable law.

(c) **No Mitigation.** The REIT agrees that, if the Executive's employment by the REIT is terminated during the term of this Agreement, the Executive is not required to seek other employment or to attempt in any way to reduce any amounts payable to the Executive by the REIT pursuant to Section 3 hereof. Further, the amount of any payment provided for in this

Agreement shall not be reduced by any compensation earned by the Executive as the result of employment by another employer, by retirement benefits, by offset against any amount claimed to be owed by the Executive to the REIT or otherwise.

(d) **No Offset.** The REIT's obligation to make the payments provided for in this Agreement and otherwise perform its obligations hereunder shall not be affected by any circumstances, including, without limitation, any set-off, counterclaim, recoupment, defense or other right which the REIT, the Operating Partnership or any of their subsidiaries may have against the Executive or others unless such set-off, counterclaim, recoupment, defense, or other right arises from the Executive engaging in conduct which constitutes a material breach of a fiduciary duty or duty of loyalty, including without limitation, misappropriation of funds or property of the Operating Partnership and their subsidiaries.

(e) **Litigation and Regulatory Cooperation.** During and after Executive's employment, Executive shall reasonably cooperate with the REIT in the defense or prosecution of any claims or actions now in existence or which may be brought in the future against or on behalf of the REIT which relate to events or occurrences that transpired while Executive was employed by the REIT; provided, however, that such cooperation shall not materially and adversely affect Executive or expose Executive to an increased probability of civil or criminal litigation. Executive's cooperation in connection with such claims or actions shall include, but not be limited to, being available to meet with counsel to prepare for discovery or trial and to act as a witness on behalf of the REIT at mutually convenient times. During and after Executive's employment, Executive also shall cooperate fully with the REIT in connection with any investigation or review of any federal, state or local regulatory authority as any such investigation or review relates to events or occurrences that transpired while Executive was employed by the REIT. The REIT shall also provide Executive with compensation on an hourly basis (to be derived from the sum of the Executive's Base Salary and average annual incentive compensation) for requested litigation and regulatory cooperation that occurs after the Executive's termination of employment (other than for time spent testifying and related travel and waiting time), and reimburse Executive for all costs and expenses incurred in connection with the Executive's performance under this Section 11(e), including, but not limited to, reasonable attorneys' fees and costs.

(f) **Notices.** All notices required or permitted under this Agreement shall be in writing and shall be deemed effective (i) upon personal delivery, (ii) upon deposit with the United States Postal Service, by registered or certified mail, postage prepaid, or (iii) in the case of facsimile transmission or delivery by nationally recognized overnight delivery service, when received, addressed as follows:

If to the REIT, to:

DiamondRock Hospitality Company  
2 Bethesda Metro, Suite 1400  
Bethesda, MD 20814  
Facsimile: (240) 744-1199

Attn: 1) Lead Director; 2) Chairman of the Board and 3) Chairman of the Compensation Committee

If to the Executive, to:

Mr. Justin Leonard

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or to such other address or addresses as either party shall designate to the other in writing from time to time by like notice.

(g) **Pronouns.** Whenever the context may require, any pronouns used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular forms of nouns and pronouns shall include the plural, and vice versa.

(h) **Entire Agreement.** This Agreement constitutes the entire agreement between the parties and supersedes all prior agreements and understandings, whether written or oral, relating to the subject matter of this Agreement, including, without limitation, the Prior Agreement, except that if and to the extent that any agreement that grants equity to the Executive states expressly that any provision of such agreement supersedes or otherwise applies notwithstanding the terms of any severance or employment agreement between the Executive and the REIT or any other member of the DiamondRock Group, such provision shall supersede or otherwise apply in place of any conflicting provision of this Agreement.

(i) **Amendment.** This Agreement may be amended or modified only by a written instrument executed by both the REIT and the Executive.

(j) **Governing Law and Forum.** This Agreement shall be construed, interpreted and enforced in accordance with the laws of the State of Maryland, without regard to its conflicts of laws principles, by a court of competent jurisdiction located within the State of Maryland.

(k) **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of both parties and their respective successors and assigns, including any entity with which or into which the REIT may be merged or which may succeed to its assets or business or any entity to which the REIT may assign its rights and obligations under this Agreement; provided, however, that the obligations of the Executive are personal and shall not be assigned or delegated by him.

(l) **Waiver.** No delays or omission by the REIT or the Executive in exercising any right under this Agreement shall operate as a waiver of that or any other right. A waiver or consent given by the REIT or the Executive on any one occasion shall be effective only in that instance and shall not be construed as a bar or waiver of any right on any other occasion.

(m) **Captions.** The captions appearing in this Agreement are for convenience of reference only and in no way define, limit or affect the scope or substance of any section of this Agreement.

(n) **Severability.** In case any provision of this Agreement shall be held by a court or arbitrator with jurisdiction over the parties to this Agreement to be invalid, illegal or otherwise unenforceable, such provision shall be restated to reflect as nearly as possible the original intentions of the parties in accordance with applicable law, and the validity, legality and enforceability of the remaining provisions shall in no way be affected or impaired thereby. In the event that any portion or provision of this Agreement (including, without limitation, any portion or provision of Sections 4, 5, 6 or 7) is determined by a court or arbitrator of competent jurisdiction to be invalid, illegal or otherwise unenforceable by reason of excessive scope as to geographic, temporal or functional coverage, such provision will be reformed and deemed to extend only over the maximum geographic, temporal and functional scope as to which it may be enforceable and shall be enforced by said court or arbitrator accordingly.

(o) **Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

DIAMONDROCK HOSPITALITY COMPANY

By: /s/ William J. Tennis  
William J. Tennis  
Executive Vice President, General Counsel and Corporate Secretary

EXECUTIVE

/s/ Justin L. Leonard  
Justin L. Leonard  
President and Chief Operating Officer

**AMENDED AND RESTATED  
SEVERANCE AGREEMENT**

THIS AMENDED AND RESTATED SEVERANCE AGREEMENT (the “**Agreement**”) is made on May 14, 2024, by **DiamondRock Hospitality Company**, a Maryland corporation (the “**REIT**”), with its principal place of business at 2 Bethesda Metro Center, Suite 1400, Bethesda, Maryland 20814 and **Briony Quinn**, residing at [\*\*\*] (the “**Executive**”). This Agreement is effective as of May 14, 2024 and amends and restates the Severance Agreement, dated August 30, 2019 between the REIT and the Executive (the “**Prior Agreement**”).

1. **Purpose**

The REIT considers it essential to the best interests of its stockholders to promote and preserve the continuous employment of key management personnel. The Board of Directors of the REIT (the “**Board of Directors**”) recognizes that, as in the case with many corporations, the possibility of a termination of employment exists and that such possibility, and the uncertainty and questions that it may raise among management, may result in the distraction of key management personnel to the detriment of the REIT and its stockholders. Therefore, the Board of Directors has determined that appropriate steps should be taken to reinforce and encourage the continued attention and dedication of members of the REIT’s key management. Nothing in this Agreement shall be construed as creating an express or implied contract of employment and, except as otherwise agreed in writing between the Executive and the REIT, the Executive shall not have any right to be retained in the employ of the REIT.

2. **Definitions**

(a) **Accrued Salary.** “Accrued Salary” shall mean accrued and unpaid base salary through the Date of Termination. In addition, in the event the Executive’s annual bonus for the REIT’s most recently completed fiscal year has not yet been paid to the Executive, then Accrued Salary also shall include such prior fiscal year’s earned, accrued and unpaid bonus.

(b) **Cause.** “Cause” for termination shall mean a determination by the Board of Directors in good faith that any of the following events has occurred: (i) indictment of the Executive of, or the conviction or entry of a plea of guilty or nolo contendere by the Executive to any felony, or any misdemeanor involving moral turpitude; (ii) the Executive engaging in conduct which constitutes a material breach of a fiduciary duty or duty of loyalty, including without limitation, misappropriation of funds or property of the REIT, DiamondRock Hospitality Limited Partnership (the “**Operating Partnership**”) and their subsidiaries (the REIT, the Operating Partnership and their subsidiaries are hereinafter referred to as the “**DiamondRock Group**”) other than an occasional and de minimis use of DiamondRock Group property for personal purposes; (iii) the Executive’s willful failure or gross negligence in the performance of the Executive’s assigned duties for the DiamondRock Group, which failure or gross negligence

continues for more than 5 days following the Executive's receipt of written or electronic notice of such willful failure or gross negligence from the Board of Directors or the Chief Executive Officer; (iv) any act or omission of the Executive that has a demonstrated and material adverse impact on the DiamondRock Group's reputation for honesty and fair dealing or any other conduct of the Executive that would reasonably be expected to result in injury to the reputation of the DiamondRock Group; or (v) willful failure to cooperate with a bona fide internal investigation or an investigation by regulatory or law enforcement authorities, after being instructed by the REIT to cooperate, or the willful destruction or failure to preserve documents or other materials known to be relevant to such investigation or the willful inducement of others to fail to cooperate, destroy or fail to produce documents or other materials.

For purposes of this Section 2(b), any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board of Directors or based upon the written advice of counsel for the DiamondRock Group shall be conclusively presumed to be done, or omitted to be done, by the Executive in good faith and in the best interests of the DiamondRock Group. The cessation of employment of the Executive shall not be deemed to be for Cause unless and until there shall have been delivered to the Executive a copy of a resolution duly adopted by the affirmative vote of the Board of Directors, finding that, in the good faith opinion of the Board of Directors, the Executive has engaged in the conduct described in this Section 2(b); provided, that if the Executive is a member of the Board of Directors, the Executive shall not vote on such resolution.

(c) **Change in Control.** "Change in Control" shall mean any of the following events:

- (i) The conclusion of the acquisition (whether by a merger or otherwise) by any Person (other than a Qualified Affiliate), in a single transaction or a series of related transactions, of Beneficial Ownership of more than 50 % of (1) the REIT's outstanding common stock (the "**Common Stock**") or (2) the combined voting power of the REIT's outstanding securities entitled to vote generally in the election of directors (the "**Outstanding Voting Securities**");
- (ii) The merger or consolidation of the REIT with or into any other Person other than a Qualified Affiliate, if the directors immediately prior to the merger or consolidation cease to be the majority of the Board of Directors at any time within 12 months of the completion of the merger or consolidation;
- (iii) Any one or a series of related sales or conveyances to any Person or Persons (including a liquidation or dissolution) other than any one or more Qualified Affiliates of all or substantially all of the assets of the REIT or the Operating Partnership; or



- (iv) Incumbent Directors cease, for any reason, to be a majority of the members of the Board of Directors, where an “**Incumbent Director**” is (1) an individual who is a member of the Board of Directors on the effective date of this Agreement or (2) any new director whose appointment by the Board of Directors or whose nomination for election by the stockholders was approved by a majority of the persons who were already Incumbent Directors at the time of such appointment, election or approval, other than any individual who assumes office initially as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board of Directors or as a result of an agreement to avoid or settle such a contest or solicitation.

A Change in Control shall also be deemed to have occurred upon the completion of a tender offer for the REIT’s securities representing more than 50% of the Outstanding Voting Securities, other than a tender offer by a Qualified Affiliate.

For purposes of this definition of Change in Control, the following definitions shall apply: (A) “**Beneficial Ownership**,” “**Beneficially Owned**” and “**Beneficially Owns**” shall have the meanings provided in Exchange Act Rule 13d-3; (B) “**Exchange Act**” shall mean the Securities Exchange Act of 1934, as amended; (C) “**Person**” shall mean any individual, entity, or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act), including any natural person, corporation, trust, association, company, partnership, joint venture, limited liability company, legal entity of any kind, government, or political subdivision, agency or instrumentality of a government, as well as two or more Persons acting as a partnership, limited partnership, syndicate or other group for the purpose of acquiring, holding or disposing of the REIT’s securities; and (D) “**Qualified Affiliate**” shall mean (I) any directly or indirectly wholly owned subsidiary of the REIT or the Operating Partnership; (II) any employee benefit plan (or related trust) sponsored or maintained by the REIT or the Operating Partnership or by any entity controlled by the REIT or the Operating Partnership; or (III) any Person consisting in whole or in part of the Executive or one or more individuals who are then the REIT’s Chief Executive Officer or any other named executive officer (as defined in Item 402 of Regulation S-K under the Securities Act of 1933) of the REIT as indicated in its most recent securities filing made before the date of the transaction.

(d) **Date of Termination.** “Date of Termination” shall mean the actual date of the Executive’s termination of employment with the REIT.

(e) **Disability.** “Disability” shall mean if the Executive is unable to perform the essential functions of the Executive’s position with the REIT, with or without reasonable accommodation, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to result in the Executive’s inability to

perform the essential functions of the Executive's position with the Company, with or without reasonable accommodation, for a continuous period of not less than 12 months.

(f) **Good Reason.** "Good Reason" for termination shall mean the occurrence of one of the following events, without the Executive's prior written consent, provided such event is not corrected within 15 days following the Board of Director's receipt of written or electronic notice of such event: (i) a material diminution in the Executive's duties or responsibilities or any material demotion from the Executive's current position at the REIT, including, without limitation: (A) if the Executive is the CEO, either discontinuing the Executive's direct reporting to the Board of Directors or a committee thereof or discontinuing the direct reporting to the CEO by each of the senior executives responsible for finance, legal, acquisition and operations or (B) if the Executive is not the CEO, discontinuing the Executive's reporting directly to the CEO or (C) if the Executive is the Chief Accounting Officer, discontinuing the Executive's reporting directly to the Chief Financial Officer or to the Chief Executive Officer; (ii) if the Executive is a member of the Board of Directors, the failure of the REIT or its affiliates to nominate the Executive as a Director of the REIT; (iii) a requirement that the Executive work principally from a location outside the 50 mile radius from the REIT's address, except for required travel on the REIT's business to the extent substantially consistent with the Executive's business travel obligations on the date hereof; (iv) failure to pay the Executive any compensation, benefits or to honor any indemnification agreement to which the Executive is entitled within 30 days of the date due; or (v) the occurrence of any of the following events or conditions in the year immediately following a Change in Control: (A) a reduction in the Executive's annual base salary or annual bonus opportunity as in effect immediately prior to the Change in Control; and (B) the failure of the REIT to obtain an agreement, reasonably satisfactory to the Executive, from any successor or assign of the REIT to assume and agree to adopt this Agreement for a period of at least two years from the Change in Control.

(g) **Restricted Period.** The "Restricted Period" shall mean the Executive's employment with the REIT, which Restricted Period may be extended for an additional period of 12 months if the Executive is entitled to, and receives, the cash severance specified under Section 3(b)(ii) or 3(e)(ii) hereof.

(h) **Retirement.** As used in this Agreement, "Retirement" shall mean a retirement by the Executive if the Executive has been designated as an eligible retiree by the Board of Directors, in the Board's sole discretion.

### 3. **Effect of Termination**

(a) **Any Termination.** To the extent applicable, the Executive shall be deemed to have resigned from all officer and board member positions that the Executive holds with the REIT or any of its respective subsidiaries or affiliates upon the termination of the Executive's employment for any reason. If the Executive's employment with the REIT terminates for any reason, the Executive shall be entitled to any Accrued Salary. The Executive shall have no rights or claims against the DiamondRock Group except to receive the payments and benefits described in this Section 3. The REIT shall have no further obligations to Executive except as otherwise expressly provided under this Agreement, provided any such termination

shall not adversely affect or alter Executive's rights under any employee benefit plan of the REIT in which Executive, at the Date of Termination, has a vested interest, unless otherwise provided in such employee benefit plan or any agreement or other instrument attendant thereto.

None of the benefits described in this Section 3 (other than Accrued Salary) will be payable unless the Executive has signed a separation agreement (the "**Separation Agreement**"), including without limitation a general release which has become irrevocable, satisfactory to the REIT in the reasonable exercise of its discretion, releasing the DiamondRock Group, its affiliates including the REIT, and their officers, directors and employees, from any and all claims or potential claims arising from or related to the Executive's employment or termination of employment and has resigned from any board member position that the Executive holds with the REIT or any of its respective subsidiaries or affiliates. In addition, the benefits described in this Section 3 (other than Accrued Salary) are conditioned upon the Executive's ongoing compliance with his/her restrictions, covenants and promises under Sections 4, 5, 6, 7, 9 and 11(e) below (as applicable). Notwithstanding anything herein to the contrary, in order to effectuate the accelerated vesting contemplated by this Section 3, the unvested portion of the Executive's unvested time-based restricted stock awards and LTIP Units (as defined in the Amended and Restated Agreement of Limited Partnership of DiamondRock Hospitality Limited Partnership) that would otherwise be forfeited on the Date of Termination will be delayed until the earlier of (A) the effective date of the Separation Agreement (at which time acceleration will occur) (the "**Accelerated Vesting Date**"), or (B) the date that the Separation Agreement can no longer become fully effective (at which time the unvested portion of the Executive's time-based restricted stock awards and LTIP Units will be forfeited). Notwithstanding the foregoing, no additional time-based vesting of the Executive's time-based restricted stock awards and LTIP Units shall occur during the period between the Date of Termination and the Accelerated Vesting Date.

(b) **Termination by the REIT without Cause or by Executive for Good Reason.** Except as set forth in Section 3(e), if the REIT terminates the Executive's employment without Cause, or the Executive terminates the Executive's employment for Good Reason so as to constitute, in either case, a separation from service for purposes of Code Section 409A, then in addition to the benefits under Section 3(a) above, the Executive shall be entitled to receive the following:

- (i) a pro-rata bonus for the fiscal year determined through the Date of Termination and calculated based on actual achievement of the applicable performance metrics, provided, that any performance metrics based solely on the Executive's performance shall be deemed achieved at target levels, to be paid in accordance with the Company's standard payroll practices and paid at such times as such bonuses are typically paid to the Company's executives;
- (ii) an amount equal to (A) two times (B) the sum of (I) the Executive's base salary in effect immediately prior to the Date of

Termination, and (II) the Executive's target annual bonus to be paid within 90 days after the Date of Termination;

- (iii) continued payment by the REIT for health insurance coverage for the Executive and the Executive's spouse and dependents for 18 months, consistent with COBRA following the Date of Termination to the same extent that the REIT paid for such coverage immediately prior to the termination of the Executive's employment and subject to the eligibility requirements and other terms and conditions of such insurance coverage, provided that if any such insurance coverage shall become unavailable and/or the REIT's insurer refuses to continue coverage during the 18 month period, the REIT thereafter shall be obliged only to pay monthly to the Executive an amount which, after reduction for applicable income and employment taxes, is equal to the monthly COBRA premium for such insurance for the remainder of such severance period;
- (iv) vesting as of the Date of Termination of 100% of all unvested time-based restricted stock awards and LTIP Units (as defined in the Amended and Restated Agreement of Limited Partnership of DiamondRock Hospitality Limited Partnership) that were granted to the Executive at least 12 months prior to the Date of Termination and that were granted in connection with the Company's annual long-term incentive program, to the extent permitted by law; and
- (v) vesting as of the Date of Termination of unvested time-based restricted stock awards and LTIP Units that were granted to the Executive less than 12 months prior to the Date of Termination and that were granted in connection with the Company's annual long-term incentive program, to the extent permitted by law, multiplied by a fraction, the numerator of which is the number of days the Executive is employed from the date of grant of such awards through the Date of Termination, and the denominator of which is 365 (or 366, as applicable).

The treatment of equity compensation awards that are either not subject to time-based vesting (such as restricted stock which vests based on one or more performance metrics) or not granted in connection with the Company's annual long-term incentive plan will be specified in the individual grant agreements and/or the applicable plans covering such awards.

(c) **Termination In the Event of Death or Disability.** If the Executive's employment terminates because of the Executive's death or Disability, then in addition to the benefits under Section 3(a) above, the Executive (or the Executive's estate or other legal representatives, as the case may be) shall be entitled to receive:

- (i) a pro-rata bonus for the fiscal year determined through the Date of Termination and calculated based on actual achievement of the applicable performance metrics, provided, that any performance metrics based solely on the Executive's performance shall be deemed achieved at target levels, to be paid in accordance with the Company's standard payroll practices and paid at such times as such bonuses are typically paid to the Company's executives;
- (ii) continued payment by the REIT for health insurance coverage for the Executive and the Executive's spouse and dependents for 18 months, consistent with COBRA, following the Date of Termination to the same extent that the REIT paid for such coverage immediately prior to the termination of the Executive's employment and subject to the eligibility requirements and other terms and conditions of such insurance coverage, provided that if any such insurance coverage shall become unavailable and/or the REIT's insurer refuses to continue coverage during the 18 month period, the REIT thereafter shall be obliged only to pay monthly to the Executive an amount which, after reduction for applicable income and employment taxes, is equal to the monthly COBRA premium for such insurance for the remainder of such severance period.
- (iii) vesting as of the Date of Termination of 100% of all unvested time-based restricted stock awards and LTIP Units, to the extent permitted by law. The treatment of equity compensation awards that are not time based vesting (such as restricted stock which vests based on one or more performance metrics) granted after the effective date of this agreement will be specified in the individual grant agreements and/or the applicable plans covering such awards.

(d) **Termination In the Event of Retirement.** If the Executive's employment terminates because of the Executive's Retirement, then in addition to the benefits under Section 3(a) above, the Executive shall be entitled to receive the following:

- (i) a pro-rata bonus for the fiscal year determined through the Date of Termination and calculated based on actual achievement of the applicable performance metrics, provided, that any performance metrics based solely on the Executive's performance shall be deemed achieved at target levels, to be paid in accordance with the Company's standard payroll practices and paid at such times as such bonuses are typically paid to the Company's executives; and
- (ii) notwithstanding the Retirement by the Executive, all unvested time-based restricted stock awards and LTIP Units shall continue to vest at the times and on the terms as set forth in the relevant

restricted stock award agreements as if the Executive remained continuously employed by the REIT from the Date of Termination through each such vesting date. The treatment of non-time-based equity compensation awards (such as restricted stock which vests based on one or more performance metrics) granted after the effective date of this agreement will be specified in individual grant agreements and/or the applicable plans covering such awards.

(e) **Termination In the Event of a Change in Control.** If the Executive's employment terminates without Cause or for Good Reason so as to constitute, in either case, a separation from service for purposes of Code Section 409A in the year immediately following a Change in Control, then in addition to the benefits under Section 3(a) above and in lieu of the benefits provided in Section 3(b), the Executive shall be entitled to the following:

- (i) a pro-rata bonus for the fiscal year determined through the Date of Termination and calculated based on the target bonus for such fiscal year to be paid within 90 days after the Date of Termination;
- (ii) an amount equal to (A) three times (B) the sum of (I) the Executive's base salary in effect immediately prior to the Date of Termination, and (II) the Executive's target annual bonus;
- (iii) continued payment by the REIT for health insurance coverage for the Executive and the Executive's spouse and dependents for 18 months, consistent with COBRA following the Date of Termination to the same extent that the REIT paid for such coverage immediately prior to the termination of the Executive's employment and subject to the eligibility requirements and other terms and conditions of such insurance coverage, provided that if any such insurance coverage shall become unavailable and/or the REIT's insurer refuses to continue coverage during the 18 month period, the REIT thereafter shall be obliged only to pay monthly to the Executive an amount which, after reduction for applicable income and employment taxes, is equal to the monthly COBRA premium for such insurance for the remainder of such severance period; and
- (iv) vesting as of the Date of Termination of 100% of all unvested time-based restricted stock awards and LTIP Units, to the extent permitted by law. The treatment of equity compensation awards that are not time based vesting (such as restricted stock which vests based on one or more performance metrics) granted after the effective date of this agreement will be specified in the individual grant agreements and/or the applicable plans covering such awards.

The cash amount due under this clause (e) shall be paid within 90 days after the date of Termination.

(f) **Excise Tax In the Event of a Change in Control** In the event the Executive's termination of employment occurs in connection with or following a Change in Control, and in the event that any payment made pursuant to Section 3 hereof or any insurance benefits, accelerated vesting, pro-rated bonus or other benefit payable to the Executive under this Agreement or otherwise (the "**Severance Payments**"), are subject to the excise tax imposed by Section 4999 (as it may be amended or replaced) of the Internal Revenue Code of 1986, as amended (the "**Excise Tax**"); then

- (i) If the reduction of the Severance Payments to the maximum amount that could be paid to the Executive without giving rise to the Excise Tax (the "**Safe Harbor Cap**") would provide the Executive with a greater after tax benefit than if such amounts were not reduced, then the amounts payable to the Executive under this Agreement shall be reduced (but not below zero) to the Safe Harbor Cap. The reduction of the amounts payable hereunder, if applicable, shall be made by reducing first the payments of cash originating under Section 3 (a)-3(d) hereof, and then by reducing other payments to the extent permitted by any applicable plan and/or agreement.
- (ii) If the reduction for the Severance Payments to the Safe Harbor Cap would not result in a greater after tax result to the Executive, no amounts payable under this agreement shall be reduced pursuant to this provision.
- (iii) The determination of whether the Excise Tax is payable and the amount thereof shall be made in writing in good faith by a nationally recognized independent certified public accounting firm selected by the REIT and approved by the Executive, such approval not to be unreasonably withheld (the "**Accounting Firm**"). For purposes of making the calculations required by this Section 3(e), to the extent not otherwise specified herein, reasonable assumptions and approximations may be made with respect to applicable taxes and reasonable, good faith interpretations of the Code may be relied upon. The REIT and the Executive shall furnish such information and documents as may be reasonably requested in connection with the performance of the calculations under this Section 3(e). The REIT shall bear all costs incurred in connection with the performance of the calculations contemplated by this Section 3(e).

#### 4. **Non-Disparagement**

The Executive agrees that he/she will not, whether during or after the Executive's employment with the REIT, make any statement, orally or in writing, regardless of whether such statement is truthful, nor take any action, that (a) in any way could disparage the DiamondRock Group or any officers, executives, directors, partners, managers, members, principals, employees, representatives, or agents of the DiamondRock Group, or which foreseeably could or reasonably could be expected to harm the reputation or goodwill of any of those persons or entities, or (b) in any way, directly or indirectly, could knowingly cause, encourage or condone the making of such statements or the taking of such actions by anyone else. The Executive further acknowledges and agrees that any statement by any member of the Executive's immediate family that would be prohibited by the foregoing if made by the Executive shall be considered to be statement made by the Executive.

## 5. **Confidential Information and Return of Property**

(a) **Confidential Information.** During and after the Executive's employment with the REIT, the Executive shall use best efforts and utmost diligence preserve, protect, and prevent the disclosure of Confidential Information, and shall not, either directly or indirectly, use, misappropriate, disclose or aid any other person in disclosing such Confidential Information. "**Confidential Information**" means information concerning the DiamondRock Group's business, business relationships or financial affairs that the DiamondRock Group has not released to the general public. Confidential Information includes, but is not limited to, all methods, processes, techniques, practices, trade secrets, personnel matters, financial data, operating results, plans, contractual relationships, projections for new business opportunities for new or developing business for the DiamondRock Group, to the extent that such information has been treated as confidential by the DiamondRock Group. Confidential Information also includes, but is not limited to, all notes, records, software, drawings, handbooks, manuals, policies, contracts, memoranda, sales files, or any other documents generated or compiled by any employee of the DiamondRock Group, to the extent that such information has been treated as confidential by the DiamondRock Group. Such information is, and shall remain, the exclusive property of the DiamondRock Group. Notwithstanding the foregoing, Confidential Information shall not include any of the categories of information listed above which (i) is or becomes generally available to the public other than as a result of a disclosure by the Executive, or (ii) becomes known to the Executive on a non-confidential basis from a source other than the DiamondRock Group. For the avoidance of doubt, pursuant to the federal Defend Trade Secrets Act of 2016, the Executive shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (a) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

(b) **Return of Property.** Upon the termination of the Executive's employment with the REIT or at any earlier time as may be specified by the REIT, the Executive shall return to the DiamondRock Group all DiamondRock Group property, including but not limited to security cards, identification badges, credit cards, laptops, printers, fax machines,



external media devices, and all documents, files or other written instruments (including copies), whether such material is in paper form or electronic or recorded format.

## 6. **Non-Competition**

(a) **Non-Competition.** Subject to Section 6(b) hereof, the Executive agrees that during the Restricted Period the Executive shall not, without the prior express written consent of the REIT, directly or indirectly, anywhere in the United States, own an interest in, join, operate, control or participate in, or be connected as an owner, officer, executive, employee, partner, member, manager, shareholder, or principal of or with, any lodging-oriented real estate investment company. Notwithstanding the foregoing, the Executive may own up to one percent (1%) of the outstanding stock of a real estate investment company. The restrictions of this Section 6(a) shall not apply if the Executive's employment with the REIT is terminated without cause by the Company or with Good Reason by the Executive effective during the 12 month period immediately following a Change in Control.

(b) **Board's Discretion.** Notwithstanding anything contained herein, the Board of Directors retains the right, in its sole discretion, to shorten or eliminate the post employment Restricted Period for any Executive.

7. **Non-Solicitation of Employees.** The Executive agrees that while he/she is employed as an employee of the REIT and for a period of 12 months after the termination of the Employee's employment with the REIT for whatever reason, the Employee shall not, without the express written consent of the REIT, hire, solicit, recruit, induce or procure (or assist or encourage any other person or entity to hire, solicit, recruit, induce or procure), directly or indirectly or on behalf of himself or any other person or entity, any officer, executive, director, partner, principal, member, or non-clerical employee of the DiamondRock Group or any person who was an officer, executive, director, partner, principal, member, or non-clerical employee of the DiamondRock Group at any time during the final year of the Executive's employment with the REIT, to work for the Executive or any person or entity with which the Executive is or intends to be affiliated or otherwise directly or indirectly encourage any such person to terminate the Executive's employment or other relationship with the DiamondRock Group without the prior express written consent of the REIT. Notwithstanding anything contained herein, the foregoing shall not restrain the Executive from hiring, soliciting, recruiting, inducing or procuring any person to work for the Executive or any person or entity with which the Executive is or intends to be affiliated if such person was either terminated by the REIT or such person resigned for Good Reason. In addition, the Board of Directors retains the right, in its sole discretion, to release any Executive from its obligations under this Section.

8. **Injunctive Relief.** The Executive understands that the restrictions contained in Sections 4, 5, 6 and 7 of this Agreement are intended to protect the REIT's interests in its proprietary information, goodwill, and its employee and investor relationships, and agrees that such restrictions (and the scope and duration thereof) are necessary, reasonable and appropriate for this purpose. The Executive acknowledges and agrees that it would be difficult to measure any damages caused to the REIT which might result from any breach by the Executive of the Executive's promises and obligations under Sections 4, 5, 6 and/or 7, that the REIT would be

irreparably harmed by such breach, and that, in any event, money damages would be an inadequate remedy for any such breach. Therefore, the Executive agrees and consents that the REIT shall be entitled to an injunction or other appropriate equitable relief (in addition to all other remedies it may have for damages or otherwise) to restrain any such breach or threatened breach without showing or proving any actual damage to the REIT. The REIT shall be entitled to an award of its attorneys' fees and costs incurred in enforcing the Executive's obligations under Sections 4, 5, 6, 7, 9 and 11(e).

9. **Compensation Recovery Acknowledgement.** The Executive acknowledges that the Executive is a "Covered Person" for purposes of the Company's Compensation Recovery Policy, adopted as of August 1, 2023 and as may be amended from time to time (the "**Compensation Recovery Policy**"). The Executive agrees that in the event of "Material Financial Restatement," as defined in the Compensation Recovery Policy, and a demand by the Company for return of any "Erroneously Awarded Compensation," as defined in the Compensation Recovery Policy, the Executive shall promptly return any such Erroneously Awarded Compensation, regardless of whether such demand is made during or after the Executive's employment.

10. **Protected Disclosures and Other Protected Actions.** Nothing contained in this Agreement limits the Executive's ability to file a charge or complaint with any federal, state or local governmental agency or commission (a "**Government Agency**"). In addition, nothing contained in this Agreement limits the Executive's ability or that of any other person to communicate with any Government Agency or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including the Executive's ability or that of any other person to provide documents or other information to a Government Agency, without notice to the Company, nor does anything contained in this Agreement apply to truthful testimony in litigation; *provided* that the Executive may not share any communication or other information that is subject to the Company's attorney-client privilege. If the Executive files any charge or complaint with any Government Agency and if the Government Agency pursues any claim on the Executive's behalf, or if any other third party pursues any claim on the Executive's behalf, the Executive waives any right to monetary or other individualized relief (either individually, or as part of any collective or class action); *provided* that nothing in this Agreement limits any right the Executive may have to receive a whistleblower award or bounty for information provided to the Securities and Exchange Commission.

#### 11. **Miscellaneous**

(a) **409A.** Notwithstanding anything to the contrary, if the Executive is a "key employee" (as defined in Section 416(i) of the Code without regard to paragraph (5) thereof) and any of the REIT's stock is publicly traded on an established securities market or otherwise, to the extent necessary to avoid any penalties under Section 409A of the Code, any payment hereunder may not be made before the date that is six months after the date of separation from service.

(b) **Tax Withholding.** All payments made by the REIT under this Agreement shall be net of any tax or other amounts required to be withheld by the REIT under applicable law.

(c) **No Mitigation.** The REIT agrees that, if the Executive's employment by the REIT is terminated during the term of this Agreement, the Executive is not required to seek other employment or to attempt in any way to reduce any amounts payable to the Executive by the REIT pursuant to Section 3 hereof. Further, the amount of any payment provided for in this Agreement shall not be reduced by any compensation earned by the Executive as the result of employment by another employer, by retirement benefits, by offset against any amount claimed to be owed by the Executive to the REIT or otherwise.

(d) **No Offset.** The REIT's obligation to make the payments provided for in this Agreement and otherwise perform its obligations hereunder shall not be affected by any circumstances, including, without limitation, any set-off, counterclaim, recoupment, defense or other right which the REIT, the Operating Partnership or any of their subsidiaries may have against the Executive or others unless such set-off, counterclaim, recoupment, defense, or other right arises from the Executive engaging in conduct which constitutes a material breach of a fiduciary duty or duty of loyalty, including without limitation, misappropriation of funds or property of the Operating Partnership and their subsidiaries.

(e) **Litigation and Regulatory Cooperation.** During and after Executive's employment, Executive shall reasonably cooperate with the REIT in the defense or prosecution of any claims or actions now in existence or which may be brought in the future against or on behalf of the REIT which relate to events or occurrences that transpired while Executive was employed by the REIT; provided, however, that such cooperation shall not materially and adversely affect Executive or expose Executive to an increased probability of civil or criminal litigation. Executive's cooperation in connection with such claims or actions shall include, but not be limited to, being available to meet with counsel to prepare for discovery or trial and to act as a witness on behalf of the REIT at mutually convenient times. During and after Executive's employment, Executive also shall cooperate fully with the REIT in connection with any investigation or review of any federal, state or local regulatory authority as any such investigation or review relates to events or occurrences that transpired while Executive was employed by the REIT. The REIT shall also provide Executive with compensation on an hourly basis (to be derived from the sum of the Executive's Base Salary and average annual incentive compensation) for requested litigation and regulatory cooperation that occurs after the Executive's termination of employment (other than for time spent testifying and related travel and waiting time), and reimburse Executive for all costs and expenses incurred in connection with the Executive's performance under this Section 11(e), including, but not limited to, reasonable attorneys' fees and costs.

(f) **Notices.** All notices required or permitted under this Agreement shall be in writing and shall be deemed effective (i) upon personal delivery, (ii) upon deposit with the United States Postal Service, by registered or certified mail, postage prepaid, or (iii) in the case of facsimile transmission or delivery by nationally recognized overnight delivery service, when received, addressed as follows:

If to the REIT, to:

DiamondRock Hospitality Company  
2 Bethesda Metro, Suite 1400  
Bethesda, MD 20814  
Facsimile: (240) 744-1199  
Attn: 1) Lead Director; 2) Chairman of the Board and 3) Chairman of the Compensation Committee

If to the Executive, to:

Ms. Briony Quinn  
[\*\*\*]  
[\*\*\*]

or to such other address or addresses as either party shall designate to the other in writing from time to time by like notice.

(g) **Pronouns.** Whenever the context may require, any pronouns used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular forms of nouns and pronouns shall include the plural, and vice versa.

(h) **Entire Agreement.** This Agreement constitutes the entire agreement between the parties and supersedes all prior agreements and understandings, whether written or oral, relating to the subject matter of this Agreement, including, without limitation, the Prior Agreement, except that if and to the extent that any agreement that grants equity to the Executive states expressly that any provision of such agreement supersedes or otherwise applies notwithstanding the terms of any severance or employment agreement between the Executive and the REIT or any other member of the DiamondRock Group, such provision shall supersede or otherwise apply in place of any conflicting provision of this Agreement.

(i) **Amendment.** This Agreement may be amended or modified only by a written instrument executed by both the REIT and the Executive.

(j) **Governing Law and Forum.** This Agreement shall be construed, interpreted and enforced in accordance with the laws of the State of Maryland, without regard to its conflicts of laws principles, by a court of competent jurisdiction located within the State of Maryland.

(k) **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of both parties and their respective successors and assigns, including any entity with which or into which the REIT may be merged or which may succeed to its assets or business or any entity to which the REIT may assign its rights and obligations under this Agreement; provided, however, that the obligations of the Executive are personal and shall not be assigned or delegated by him.

(l) **Waiver.** No delays or omission by the REIT or the Executive in exercising any right under this Agreement shall operate as a waiver of that or any other right. A

waiver or consent given by the REIT or the Executive on any one occasion shall be effective only **in** that instance and shall not be construed as a bar or waiver of any right on any other occasion.

(m) **Captions.** The captions appearing in this Agreement are for convenience of reference only and in no way define, limit or affect the scope or substance of any section of this Agreement.

(n) **Severability.** In case any provision of this Agreement shall be held by a court or arbitrator with jurisdiction over the parties to this Agreement to be invalid, illegal or otherwise unenforceable, such provision shall be restated to reflect as nearly as possible the original intentions of the parties in accordance with applicable law, and the validity, legality and enforceability of the remaining provisions shall in no way be affected or impaired thereby. In the event that any portion or provision of this Agreement (including, without limitation, any portion or provision of Sections 4, 5, 6 or 7) is determined by a court or arbitrator of competent jurisdiction to be invalid, illegal or otherwise unenforceable by reason of excessive scope as to geographic, temporal or functional coverage, such provision will be reformed and deemed to extend only over the maximum geographic, temporal and functional scope as to which it may be enforceable and shall be enforced by said court or arbitrator accordingly.

(o) **Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

DIAMONDROCK HOSPITALITY COMPANY

By:

/s/ William J. Tennis

William J. Tennis

Executive Vice President, General Counsel and Corporate Secretary

EXECUTIVE

/s/ Brionny Quinn

Brionny Quinn

Executive Vice President, Chief Financial Officer and Treasurer

## SEVERANCE AGREEMENT

THIS SEVERANCE AGREEMENT (the “**Agreement**”) is dated as of July 1, 2024, effective June 3, 2024, by **DiamondRock Hospitality Company**, a Maryland corporation (the “**REIT**”), with its principal place of business at 2 Bethesda Metro Center, Suite 1400, Bethesda, Maryland 20814 and **Anika Fischer**, residing at [\*\*\*] (the “**Executive**”).

### 1. Purpose

The REIT considers it essential to the best interests of its stockholders to promote and preserve the continuous employment of key management personnel. The Board of Directors of the REIT (the “**Board of Directors**”) recognizes that, as in the case with many corporations, the possibility of a termination of employment exists and that such possibility, and the uncertainty and questions that it may raise among management, may result in the distraction of key management personnel to the detriment of the REIT and its stockholders. Therefore, the Board of Directors has determined that appropriate steps should be taken to reinforce and encourage the continued attention and dedication of members of the REIT’s key management. Nothing in this Agreement shall be construed as creating an express or implied contract of employment and, except as otherwise agreed in writing between the Executive and the REIT, the Executive shall not have any right to be retained in the employ of the REIT.

### 2. Definitions

(a) **Accrued Salary.** “Accrued Salary” shall mean accrued and unpaid base salary through the Date of Termination. In addition, in the event the Executive’s annual bonus for the REIT’s most recently completed fiscal year has not yet been paid to the Executive, then Accrued Salary also shall include such prior fiscal year’s earned, accrued and unpaid bonus.

(b) **Cause.** “Cause” for termination shall mean a determination by the Board of Directors in good faith that any of the following events has occurred: (i) indictment of the Executive of, or the conviction or entry of a plea of guilty or nolo contendere by the Executive to any felony, or any misdemeanor involving moral turpitude; (ii) the Executive engaging in conduct which constitutes a material breach of a fiduciary duty or duty of loyalty, including without limitation, misappropriation of funds or property of the REIT, DiamondRock Hospitality Limited Partnership (the “**Operating Partnership**”) and their subsidiaries (the REIT, the Operating Partnership and their subsidiaries are hereinafter referred to as the “**DiamondRock Group**”) other than an occasional and de minimis use of DiamondRock Group property for personal purposes; (iii) the Executive’s willful failure or gross negligence in the performance of the Executive’s assigned duties for the DiamondRock Group, which failure or gross negligence continues for more than 5 days following the Executive’s receipt of written or electronic notice of such willful failure or gross negligence from the Board of Directors or the Chief Executive Officer; (iv) any act or omission of the Executive that has a demonstrated and material adverse impact on the DiamondRock Group’s reputation for honesty and fair dealing or any other conduct of the Executive that would reasonably be expected to result in injury to the reputation of the DiamondRock Group; or (v) willful failure to cooperate with a bona fide internal

investigation or an investigation by regulatory or law enforcement authorities, after being instructed by the REIT to cooperate, or the willful destruction or failure to preserve documents or other materials known to be relevant to such investigation or the willful inducement of others to fail to cooperate, destroy or fail to produce documents or other materials.

For purposes of this Section 2(b), any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board of Directors or based upon the written advice of counsel for the DiamondRock Group shall be conclusively presumed to be done, or omitted to be done, by the Executive in good faith and in the best interests of the DiamondRock Group. The cessation of employment of the Executive shall not be deemed to be for Cause unless and until there shall have been delivered to the Executive a copy of a resolution duly adopted by the affirmative vote of the Board of Directors, finding that, in the good faith opinion of the Board of Directors, the Executive has engaged in the conduct described in this Section 2(b); provided, that if the Executive is a member of the Board of Directors, the Executive shall not vote on such resolution.

(c) **Change in Control.** “Change in Control” shall mean any of the following events:

- (i) The conclusion of the acquisition (whether by a merger or otherwise) by any Person (other than a Qualified Affiliate), in a single transaction or a series of related transactions, of Beneficial Ownership of more than 50 % of (1) the REIT’s outstanding common stock (the “**Common Stock**”) or (2) the combined voting power of the REIT’s outstanding securities entitled to vote generally in the election of directors (the “**Outstanding Voting Securities**”);
- (ii) The merger or consolidation of the REIT with or into any other Person other than a Qualified Affiliate, if the directors immediately prior to the merger or consolidation cease to be the majority of the Board of Directors at any time within 12 months of the completion of the merger or consolidation;
- (iii) Any one or a series of related sales or conveyances to any Person or Persons (including a liquidation or dissolution) other than any one or more Qualified Affiliates of all or substantially all of the assets of the REIT or the Operating Partnership; or
- (iv) Incumbent Directors cease, for any reason, to be a majority of the members of the Board of Directors, where an “**Incumbent Director**” is (1) an individual who is a member of the Board of Directors on the effective date of this Agreement or (2) any new director whose appointment by the Board of Directors or whose nomination for election by the stockholders was approved by a majority of the persons who were already Incumbent Directors at



the time of such appointment, election or approval, other than any individual who assumes office initially as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board of Directors or as a result of an agreement to avoid or settle such a contest or solicitation.

A Change in Control shall also be deemed to have occurred upon the completion of a tender offer for the REIT's securities representing more than 50% of the Outstanding Voting Securities, other than a tender offer by a Qualified Affiliate.

For purposes of this definition of Change in Control, the following definitions shall apply: (A) "**Beneficial Ownership**," "**Beneficially Owned**" and "**Beneficially Owns**" shall have the meanings provided in Exchange Act Rule 13d-3; (B) "**Exchange Act**" shall mean the Securities Exchange Act of 1934, as amended; (C) "**Person**" shall mean any individual, entity, or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act), including any natural person, corporation, trust, association, company, partnership, joint venture, limited liability company, legal entity of any kind, government, or political subdivision, agency or instrumentality of a government, as well as two or more Persons acting as a partnership, limited partnership, syndicate or other group for the purpose of acquiring, holding or disposing of the REIT's securities; and (D) "**Qualified Affiliate**" shall mean (I) any directly or indirectly wholly owned subsidiary of the REIT or the Operating Partnership; (II) any employee benefit plan (or related trust) sponsored or maintained by the REIT or the Operating Partnership or by any entity controlled by the REIT or the Operating Partnership; or (III) any Person consisting in whole or in part of the Executive or one or more individuals who are then the REIT's Chief Executive Officer or any other named executive officer (as defined in Item 402 of Regulation S-K under the Securities Act of 1933) of the REIT as indicated in its most recent securities filing made before the date of the transaction.

(d) **Date of Termination.** "Date of Termination" shall mean the actual date of the Executive's termination of employment with the REIT.

(e) **Disability.** "Disability" shall mean if the Executive is unable to perform the essential functions of the Executive's position with the REIT, with or without reasonable accommodation, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to result in the Executive's inability to perform the essential functions of the Executive's position with the Company, with or without reasonable accommodation, for a continuous period of not less than 12 months.

(f) **Good Reason.** "Good Reason" for termination shall mean the occurrence of one of the following events, without the Executive's prior written consent, provided such event is not corrected within 15 days following the Board of Director's receipt of written or electronic notice of such event: (i) a material diminution in the Executive's duties or responsibilities or any material demotion from the Executive's current position at the REIT, including, without limitation: (A) if the Executive is the CEO, either discontinuing the

Executive's direct reporting to the Board of Directors or a committee thereof or discontinuing the direct reporting to the CEO by each of the senior executives responsible for finance, legal, acquisition and operations or (B) if the Executive is not the CEO, discontinuing the Executive's reporting directly to the CEO or (C) if the Executive is the Chief Accounting Officer, discontinuing the Executive's reporting directly to the Chief Financial Officer or to the Chief Executive Officer; (ii) if the Executive is a member of the Board of Directors, the failure of the REIT or its affiliates to nominate the Executive as a Director of the REIT; (iii) a requirement that the Executive work principally from a location outside the 50 mile radius from the REIT's address, except for required travel on the REIT's business to the extent substantially consistent with the Executive's business travel obligations on the date hereof; (iv) failure to pay the Executive any compensation, benefits or to honor any indemnification agreement to which the Executive is entitled within 30 days of the date due; or (v) the occurrence of any of the following events or conditions in the year immediately following a Change in Control: (A) a reduction in the Executive's annual base salary or annual bonus opportunity as in effect immediately prior to the Change in Control; and (B) the failure of the REIT to obtain an agreement, reasonably satisfactory to the Executive, from any successor or assign of the REIT to assume and agree to adopt this Agreement for a period of at least two years from the Change in Control.

(g) **Restricted Period.** The "Restricted Period" shall mean the Executive's employment with the REIT, which Restricted Period may be extended for an additional period of 12 months if the Executive is entitled to, and receives, the cash severance specified under Section 3(b)(ii) or 3(e)(ii) hereof.

(h) **Retirement.** As used in this Agreement, "Retirement" shall mean a retirement by the Executive if the Executive has been designated as an eligible retiree by the Board of Directors, in the Board's sole discretion.

### 3. **Effect of Termination**

(a) **Any Termination.** To the extent applicable, the Executive shall be deemed to have resigned from all officer and board member positions that the Executive holds with the REIT or any of its respective subsidiaries or affiliates upon the termination of the Executive's employment for any reason. If the Executive's employment with the REIT terminates for any reason, the Executive shall be entitled to any Accrued Salary. The Executive shall have no rights or claims against the DiamondRock Group except to receive the payments and benefits described in this Section 3. The REIT shall have no further obligations to Executive except as otherwise expressly provided under this Agreement, provided any such termination shall not adversely affect or alter Executive's rights under any employee benefit plan of the REIT in which Executive, at the Date of Termination, has a vested interest, unless otherwise provided in such employee benefit plan or any agreement or other instrument attendant thereto.

None of the benefits described in this Section 3 (other than Accrued Salary) will be payable unless the Executive has signed a separation agreement (the "**Separation Agreement**"), including without limitation a general release which has become irrevocable, satisfactory to the REIT in the reasonable exercise of its discretion, releasing the DiamondRock Group, its affiliates including the REIT, and their officers, directors and employees, from any and all claims or

potential claims arising from or related to the Executive's employment or termination of employment and has resigned from any board member position that the Executive holds with the REIT or any of its respective subsidiaries or affiliates. In addition, the benefits described in this Section 3 (other than Accrued Salary) are conditioned upon the Executive's ongoing compliance with his/her restrictions, covenants and promises under Sections 4, 5, 6, 7, 9 and 11(e) below (as applicable). Notwithstanding anything herein to the contrary, in order to effectuate the accelerated vesting contemplated by this Section 3, the unvested portion of the Executive's unvested time-based restricted stock awards and LTIP Units (as defined in the Amended and Restated Agreement of Limited Partnership of DiamondRock Hospitality Limited Partnership) that would otherwise be forfeited on the Date of Termination will be delayed until the earlier of (A) the effective date of the Separation Agreement (at which time acceleration will occur) (the "**Accelerated Vesting Date**"), or (B) the date that the Separation Agreement can no longer become fully effective (at which time the unvested portion of the Executive's time-based restricted stock awards and LTIP Units will be forfeited). Notwithstanding the foregoing, no additional time-based vesting of the Executive's time-based restricted stock awards and LTIP Units shall occur during the period between the Date of Termination and the Accelerated Vesting Date.

(b) **Termination by the REIT without Cause or by Executive for Good Reason.** Except as set forth in Section 3(e), if the REIT terminates the Executive's employment without Cause, or the Executive terminates the Executive's employment for Good Reason so as to constitute, in either case, a separation from service for purposes of Code Section 409A, then in addition to the benefits under Section 3(a) above, the Executive shall be entitled to receive the following:

- (i) a pro-rata bonus for the fiscal year determined through the Date of Termination and calculated based on actual achievement of the applicable performance metrics, provided, that any performance metrics based solely on the Executive's performance shall be deemed achieved at target levels, to be paid in accordance with the Company's standard payroll practices and paid at such times as such bonuses are typically paid to the Company's executives;
- (ii) an amount equal to (A) one times (B) the sum of (I) the Executive's base salary in effect immediately prior to the Date of Termination, and (II) the Executive's target annual bonus to be paid within 90 days after the Date of Termination;
- (iii) continued payment by the REIT for health insurance coverage for the Executive and the Executive's spouse and dependents for 18 months, consistent with COBRA following the Date of Termination to the same extent that the REIT paid for such coverage immediately prior to the termination of the Executive's employment and subject to the eligibility requirements and other terms and conditions of such insurance coverage, provided that if

any such insurance coverage shall become unavailable and/or the REIT's insurer refuses to continue coverage during the 18 month period, the REIT thereafter shall be obliged only to pay monthly to the Executive an amount which, after reduction for applicable income and employment taxes, is equal to the monthly COBRA premium for such insurance for the remainder of such severance period;

- (iv) vesting as of the Date of Termination of 100% of all unvested time-based restricted stock awards and LTIP Units (as defined in the Amended and Restated Agreement of Limited Partnership of DiamondRock Hospitality Limited Partnership) that were granted to the Executive at least 12 months prior to the Date of Termination and that were granted in connection with the Company's annual long-term incentive program, to the extent permitted by law; and
- (v) vesting as of the Date of Termination of unvested time-based restricted stock awards and LTIP Units that were granted to the Executive less than 12 months prior to the Date of Termination and that were granted in connection with the Company's annual long-term incentive program, to the extent permitted by law, multiplied by a fraction, the numerator of which is the number of days the Executive is employed from the date of grant of such awards through the Date of Termination, and the denominator of which is 365 (or 366, as applicable).

The treatment of equity compensation awards that are either not subject to time-based vesting (such as restricted stock which vests based on one or more performance metrics) or not granted in connection with the Company's annual long-term incentive plan will be specified in the individual grant agreements and/or the applicable plans covering such awards.

(c) **Termination In the Event of Death or Disability.** If the Executive's employment terminates because of the Executive's death or Disability, then in addition to the benefits under Section 3(a) above, the Executive (or the Executive's estate or other legal representatives, as the case may be) shall be entitled to receive:

- (i) a pro-rata bonus for the fiscal year determined through the Date of Termination and calculated based on actual achievement of the applicable performance metrics, provided, that any performance metrics based solely on the Executive's performance shall be deemed achieved at target levels, to be paid in accordance with the Company's standard payroll practices and paid at such times as such bonuses are typically paid to the Company's executives;

- (ii) continued payment by the REIT for health insurance coverage for the Executive and the Executive's spouse and dependents for 18 months, consistent with COBRA, following the Date of Termination to the same extent that the REIT paid for such coverage immediately prior to the termination of the Executive's employment and subject to the eligibility requirements and other terms and conditions of such insurance coverage, provided that if any such insurance coverage shall become unavailable and/or the REIT's insurer refuses to continue coverage during the 18 month period, the REIT thereafter shall be obliged only to pay monthly to the Executive an amount which, after reduction for applicable income and employment taxes, is equal to the monthly COBRA premium for such insurance for the remainder of such severance period.
- (iii) vesting as of the Date of Termination of 100% of all unvested time-based restricted stock awards and LTIP Units, to the extent permitted by law. The treatment of equity compensation awards that are not time based vesting (such as restricted stock which vests based on one or more performance metrics) granted after the effective date of this agreement will be specified in the individual grant agreements and/or the applicable plans covering such awards.

(d) **Termination In the Event of Retirement.** If the Executive's employment terminates because of the Executive's Retirement, then in addition to the benefits under Section 3(a) above, the Executive shall be entitled to receive the following:

- (i) a pro-rata bonus for the fiscal year determined through the Date of Termination and calculated based on actual achievement of the applicable performance metrics, provided, that any performance metrics based solely on the Executive's performance shall be deemed achieved at target levels, to be paid in accordance with the Company's standard payroll practices and paid at such times as such bonuses are typically paid to the Company's executives; and
- (ii) notwithstanding the Retirement by the Executive, all unvested time-based restricted stock awards and LTIP Units shall continue to vest at the times and on the terms as set forth in the relevant restricted stock award agreements as if the Executive remained continuously employed by the REIT from the Date of Termination through each such vesting date. The treatment of non-time-based equity compensation awards (such as restricted stock which vests based on one or more performance metrics) granted after the effective date of this agreement will be specified in individual grant agreements and/or the applicable plans covering such awards.

(e) **Termination In the Event of a Change in Control.** If the Executive's employment terminates without Cause or for Good Reason so as to constitute, in either case, a separation from service for purposes of Code Section 409A in the year immediately following a Change in Control, then in addition to the benefits under Section 3(a) above and in lieu of the benefits provided in Section 3(b), the Executive shall be entitled to the following:

- (i) a pro-rata bonus for the fiscal year determined through the Date of Termination and calculated based on the target bonus for such fiscal year to be paid within 90 days after the Date of Termination;
- (ii) an amount equal to (A) one times (B) the sum of (I) the Executive's base salary in effect immediately prior to the Date of Termination, and (II) the Executive's target annual bonus;
- (iii) continued payment by the REIT for health insurance coverage for the Executive and the Executive's spouse and dependents for 18 months, consistent with COBRA following the Date of Termination to the same extent that the REIT paid for such coverage immediately prior to the termination of the Executive's employment and subject to the eligibility requirements and other terms and conditions of such insurance coverage, provided that if any such insurance coverage shall become unavailable and/or the REIT's insurer refuses to continue coverage during the 18 month period, the REIT thereafter shall be obliged only to pay monthly to the Executive an amount which, after reduction for applicable income and employment taxes, is equal to the monthly COBRA premium for such insurance for the remainder of such severance period; and
- (iv) vesting as of the Date of Termination of 100% of all unvested time-based restricted stock awards and LTIP Units, to the extent permitted by law. The treatment of equity compensation awards that are not time based vesting (such as restricted stock which vests based on one or more performance metrics) granted after the effective date of this agreement will be specified in the individual grant agreements and/or the applicable plans covering such awards.

The cash amount due under this clause (e) shall be paid within 90 days after the date of Termination.

(f) **Excise Tax In the Event of a Change in Control** In the event the Executive's termination of employment occurs in connection with or following a Change in Control, and in the event that any payment made pursuant to Section 3 hereof or any insurance benefits, accelerated vesting, pro-rated bonus or other benefit payable to the Executive under this Agreement or otherwise (the "**Severance Payments**"), are subject to the excise tax imposed by

Section 4999 (as it may be amended or replaced) of the Internal Revenue Code of 1986, as amended (the “**Excise Tax**”); then

- (i) If the reduction of the Severance Payments to the maximum amount that could be paid to the Executive without giving rise to the Excise Tax (the “**Safe Harbor Cap**”) would provide the Executive with a greater after tax benefit than if such amounts were not reduced, then the amounts payable to the Executive under this Agreement shall be reduced (but not below zero) to the Safe Harbor Cap. The reduction of the amounts payable hereunder, if applicable, shall be made by reducing first the payments of cash originating under Section 3 (a)-3(d) hereof, and then by reducing other payments to the extent permitted by any applicable plan and/or agreement.
- (ii) If the reduction for the Severance Payments to the Safe Harbor Cap would not result in a greater after tax result to the Executive, no amounts payable under this agreement shall be reduced pursuant to this provision.
- (iii) The determination of whether the Excise Tax is payable and the amount thereof shall be made in writing in good faith by a nationally recognized independent certified public accounting firm selected by the REIT and approved by the Executive, such approval not to be unreasonably withheld (the “**Accounting Firm**”). For purposes of making the calculations required by this Section 3(e), to the extent not otherwise specified herein, reasonable assumptions and approximations may be made with respect to applicable taxes and reasonable, good faith interpretations of the Code may be relied upon. The REIT and the Executive shall furnish such information and documents as may be reasonably requested in connection with the performance of the calculations under this Section 3(e). The REIT shall bear all costs incurred in connection with the performance of the calculations contemplated by this Section 3(e).

#### 4. **Non-Disparagement**

The Executive agrees that he/she will not, whether during or after the Executive’s employment with the REIT, make any statement, orally or in writing, regardless of whether such statement is truthful, nor take any action, that (a) in any way could disparage the DiamondRock Group or any officers, executives, directors, partners, managers, members, principals, employees, representatives, or agents of the DiamondRock Group, or which foreseeably could or reasonably could be expected to harm the reputation or goodwill of any of those persons or entities, or (b) in any way, directly or indirectly, could knowingly cause, encourage or condone the making of such statements or the taking of such actions by anyone else. The Executive

further acknowledges and agrees that any statement by any member of the Executive's immediate family that would be prohibited by the foregoing if made by the Executive shall be considered to be statement made by the Executive.

## 5. **Confidential Information and Return of Property**

(a) **Confidential Information.** During and after the Executive's employment with the REIT, the Executive shall use best efforts and utmost diligence to preserve, protect, and prevent the disclosure of Confidential Information, and shall not, either directly or indirectly, use, misappropriate, disclose or aid any other person in disclosing such Confidential Information. "Confidential Information" means information concerning the DiamondRock Group's business, business relationships or financial affairs that the DiamondRock Group has not released to the general public. Confidential Information includes, but is not limited to, all methods, processes, techniques, practices, trade secrets, personnel matters, financial data, operating results, plans, contractual relationships, projections for new business opportunities for new or developing business for the DiamondRock Group, to the extent that such information has been treated as confidential by the DiamondRock Group. Confidential Information also includes, but is not limited to, all notes, records, software, drawings, handbooks, manuals, policies, contracts, memoranda, sales files, or any other documents generated or compiled by any employee of the DiamondRock Group, to the extent that such information has been treated as confidential by the DiamondRock Group. Such information is, and shall remain, the exclusive property of the DiamondRock Group. Notwithstanding the foregoing, Confidential Information shall not include any of the categories of information listed above which (i) is or becomes generally available to the public other than as a result of a disclosure by the Executive, or (ii) becomes known to the Executive on a non-confidential basis from a source other than the DiamondRock Group. For the avoidance of doubt, pursuant to the federal Defend Trade Secrets Act of 2016, the Executive shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (a) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

(b) **Return of Property.** Upon the termination of the Executive's employment with the REIT or at any earlier time as may be specified by the REIT, the Executive shall return to the DiamondRock Group all DiamondRock Group property, including but not limited to security cards, identification badges, credit cards, laptops, printers, fax machines, external media devices, and all documents, files or other written instruments (including copies), whether such material is in paper form or electronic or recorded format.

## 6. **Non-Competition**

(a) **Non-Competition.** Subject to Section 6(b) hereof, the Executive agrees that during the Restricted Period the Executive shall not, without the prior express written consent of the REIT, directly or indirectly, anywhere in the United States, own an interest in, join, operate, control or participate in, or be connected as an owner, officer, executive, employee, partner, member, manager, shareholder, or principal of or with, any lodging-oriented real estate



investment company. Notwithstanding the foregoing, the Executive may own up to one percent (1%) of the outstanding stock of a real estate investment company. The restrictions of this Section 6(a) shall not apply if the Executive's employment with the REIT is terminated without cause by the Company or with Good Reason by the Executive effective during the 12 month period immediately following a Change in Control.

(b) **Board's Discretion.** Notwithstanding anything contained herein, the Board of Directors retains the right, in its sole discretion, to shorten or eliminate the post employment Restricted Period for any Executive.

7. **Non-Solicitation of Employees.** The Executive agrees that while he/she is employed as an employee of the REIT and for a period of 12 months after the termination of the Employee's employment with the REIT for whatever reason, the Employee shall not, without the express written consent of the REIT, hire, solicit, recruit, induce or procure (or assist or encourage any other person or entity to hire, solicit, recruit, induce or procure), directly or indirectly or on behalf of himself or any other person or entity, any officer, executive, director, partner, principal, member, or non-clerical employee of the DiamondRock Group or any person who was an officer, executive, director, partner, principal, member, or non-clerical employee of the DiamondRock Group at any time during the final year of the Executive's employment with the REIT, to work for the Executive or any person or entity with which the Executive is or intends to be affiliated or otherwise directly or indirectly encourage any such person to terminate the Executive's employment or other relationship with the DiamondRock Group without the prior express written consent of the REIT. Notwithstanding anything contained herein, the foregoing shall not restrain the Executive from hiring, soliciting, recruiting, inducing or procuring any person to work for the Executive or any person or entity with which the Executive is or intends to be affiliated if such person was either terminated by the REIT or such person resigned for Good Reason. In addition, the Board of Directors retains the right, in its sole discretion, to release any Executive from its obligations under this Section.

8. **Injunctive Relief.** The Executive understands that the restrictions contained in Sections 4, 5, 6 and 7 of this Agreement are intended to protect the REIT's interests in its proprietary information, goodwill, and its employee and investor relationships, and agrees that such restrictions (and the scope and duration thereof) are necessary, reasonable and appropriate for this purpose. The Executive acknowledges and agrees that it would be difficult to measure any damages caused to the REIT which might result from any breach by the Executive of the Executive's promises and obligations under Sections 4, 5, 6 and/or 7, that the REIT would be irreparably harmed by such breach, and that, in any event, money damages would be an inadequate remedy for any such breach. Therefore, the Executive agrees and consents that the REIT shall be entitled to an injunction or other appropriate equitable relief (in addition to all other remedies it may have for damages or otherwise) to restrain any such breach or threatened breach without showing or proving any actual damage to the REIT. The REIT shall be entitled to an award of its attorneys' fees and costs incurred in enforcing the Executive's obligations under Sections 4, 5, 6, 7, 9 and 11(e).

9. **Compensation Recovery Acknowledgement.** The Executive acknowledges that the Executive is a “Covered Person” for purposes of the Company’s Compensation Recovery Policy, adopted as of August 1, 2023 and as may be amended from time to time (the “**Compensation Recovery Policy**”). The Executive agrees that in the event of “Material Financial Restatement,” as defined in the Compensation Recovery Policy, and a demand by the Company for return of any “Erroneously Awarded Compensation,” as defined in the Compensation Recovery Policy, the Executive shall promptly return any such Erroneously Awarded Compensation, regardless of whether such demand is made during or after the Executive’s employment.

10. **Protected Disclosures and Other Protected Actions.** Nothing contained in this Agreement limits the Executive's ability to file a charge or complaint with any federal, state or local governmental agency or commission (a “**Government Agency**”). In addition, nothing contained in this Agreement limits the Executive's ability or that of any other person to communicate with any Government Agency or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including the Executive's ability or that of any other person to provide documents or other information to a Government Agency, without notice to the Company, nor does anything contained in this Agreement apply to truthful testimony in litigation; *provided* that the Executive may not share any communication or other information that is subject to the Company’s attorney-client privilege. If the Executive files any charge or complaint with any Government Agency and if the Government Agency pursues any claim on the Executive's behalf, or if any other third party pursues any claim on the Executive's behalf, the Executive waives any right to monetary or other individualized relief (either individually, or as part of any collective or class action); *provided* that nothing in this Agreement limits any right the Executive may have to receive a whistleblower award or bounty for information provided to the Securities and Exchange Commission.

11. **Miscellaneous**

(a) **409A.** Notwithstanding anything to the contrary, if the Executive is a “key employee” (as defined in Section 416(i) of the Code without regard to paragraph (5) thereof) and any of the REIT’s stock is publicly traded on an established securities market or otherwise, to the extent necessary to avoid any penalties under Section 409A of the Code, any payment hereunder may not be made before the date that is six months after the date of separation from service.

(b) **Tax Withholding.** All payments made by the REIT under this Agreement shall be net of any tax or other amounts required to be withheld by the REIT under applicable law.

(c) **No Mitigation.** The REIT agrees that, if the Executive’s employment by the REIT is terminated during the term of this Agreement, the Executive is not required to seek other employment or to attempt in any way to reduce any amounts payable to the Executive by the REIT pursuant to Section 3 hereof. Further, the amount of any payment provided for in this Agreement shall not be reduced by any compensation earned by the Executive as the result of employment by another employer, by retirement benefits, by offset against any amount claimed to be owed by the Executive to the REIT or otherwise.

(d) **No Offset.** The REIT's obligation to make the payments provided for in this Agreement and otherwise perform its obligations hereunder shall not be affected by any circumstances, including, without limitation, any set-off, counterclaim, recoupment, defense or other right which the REIT, the Operating Partnership or any of their subsidiaries may have against the Executive or others unless such set-off, counterclaim, recoupment, defense, or other right arises from the Executive engaging in conduct which constitutes a material breach of a fiduciary duty or duty of loyalty, including without limitation, misappropriation of funds or property of the Operating Partnership and their subsidiaries.

(e) **Litigation and Regulatory Cooperation.** During and after Executive's employment, Executive shall reasonably cooperate with the REIT in the defense or prosecution of any claims or actions now in existence or which may be brought in the future against or on behalf of the REIT which relate to events or occurrences that transpired while Executive was employed by the REIT; provided, however, that such cooperation shall not materially and adversely affect Executive or expose Executive to an increased probability of civil or criminal litigation. Executive's cooperation in connection with such claims or actions shall include, but not be limited to, being available to meet with counsel to prepare for discovery or trial and to act as a witness on behalf of the REIT at mutually convenient times. During and after Executive's employment, Executive also shall cooperate fully with the REIT in connection with any investigation or review of any federal, state or local regulatory authority as any such investigation or review relates to events or occurrences that transpired while Executive was employed by the REIT. The REIT shall also provide Executive with compensation on an hourly basis (to be derived from the sum of the Executive's Base Salary and average annual incentive compensation) for requested litigation and regulatory cooperation that occurs after the Executive's termination of employment (other than for time spent testifying and related travel and waiting time), and reimburse Executive for all costs and expenses incurred in connection with the Executive's performance under this Section 11(e), including, but not limited to, reasonable attorneys' fees and costs.

(f) **Notices.** All notices required or permitted under this Agreement shall be in writing and shall be deemed effective (i) upon personal delivery, (ii) upon deposit with the United States Postal Service, by registered or certified mail, postage prepaid, or (iii) in the case of facsimile transmission or delivery by nationally recognized overnight delivery service, when received, addressed as follows:

If to the REIT, to:

DiamondRock Hospitality Company  
2 Bethesda Metro, Suite 1400  
Bethesda, MD 20814  
Facsimile: (240) 744-1199  
Attn: 1) Chief Executive Officer; 2) Lead Director; and 3) Chairman of the Board

If to the Executive, to:

Ms. Anika Fischer  
[\*\*\*]  
[\*\*\*]

or to such other address or addresses as either party shall designate to the other in writing from time to time by like notice.

(g) **Pronouns.** Whenever the context may require, any pronouns used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular forms of nouns and pronouns shall include the plural, and vice versa.

(h) **Entire Agreement.** This Agreement constitutes the entire agreement between the parties and supersedes all prior agreements and understandings, whether written or oral, relating to the subject matter of this Agreement, except that if and to the extent that any agreement that grants equity to the Executive states expressly that any provision of such agreement supersedes or otherwise applies notwithstanding the terms of any severance or employment agreement between the Executive and the REIT or any other member of the DiamondRock Group, such provision shall supersede or otherwise apply in place of any conflicting provision of this Agreement.

(i) **Amendment.** This Agreement may be amended or modified only by a written instrument executed by both the REIT and the Executive.

(j) **Governing Law and Forum.** This Agreement shall be construed, interpreted and enforced in accordance with the laws of the State of Maryland, without regard to its conflicts of laws principles, by a court of competent jurisdiction located within the State of Maryland.

(k) **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of both parties and their respective successors and assigns, including any entity with which or into which the REIT may be merged or which may succeed to its assets or business or any entity to which the REIT may assign its rights and obligations under this Agreement; provided, however, that the obligations of the Executive are personal and shall not be assigned or delegated by him.

(l) **Waiver.** No delays or omission by the REIT or the Executive in exercising any right under this Agreement shall operate as a waiver of that or any other right. A waiver or consent given by the REIT or the Executive on any one occasion shall be effective only **in** that instance and shall not be construed as a bar or waiver of any right on any other occasion.

(m) **Captions.** The captions appearing in this Agreement are for convenience of reference only and in no way define, limit or affect the scope or substance of any section of this Agreement.

(n) **Severability.** In case any provision of this Agreement shall be held by a court or arbitrator with jurisdiction over the parties to this Agreement to be invalid, illegal or otherwise unenforceable, such provision shall be restated to reflect as nearly as possible the original intentions of the parties in accordance with applicable law, and the validity, legality and enforceability of the remaining provisions shall in no way be affected or impaired thereby. In the event that any portion or provision of this Agreement (including, without limitation, any portion or provision of Sections 4, 5, 6 or 7) is determined by a court or arbitrator of competent jurisdiction to be invalid, illegal or otherwise unenforceable by reason of excessive scope as to geographic, temporal or functional coverage, such provision will be reformed and deemed to extend only over the maximum geographic, temporal and functional scope as to which it may be enforceable and shall be enforced by said court or arbitrator accordingly.

(o) **Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

DIAMONDROCK HOSPITALITY COMPANY

By:

/s/ Jeffrey J. Donnelly

Jeffrey J. Donnelly  
Chief Executive Officer

EXECUTIVE

/s/ Anika Fischer

Anika Fischer  
Senior Vice President, General Counsel and Corporate Secretary

**Certification of Chief Executive Officer**  
**Pursuant to Rule 13a-14(a) and Rule 15d-14(a)**

I, Jeffrey J. Donnelly, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of DiamondRock Hospitality Company;
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: August 2, 2024

/s/ Jeffrey J. Donnelly  
\_\_\_\_\_  
Jeffrey J. Donnelly  
Chief Executive Officer  
(Principal Executive Officer)

**Exhibit 31.2**  
**Certification of Chief Financial Officer**  
**Pursuant to Rule 13a-14(a) and Rule 15d-14(a)**

I, Briony R. Quinn, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of DiamondRock Hospitality Company;
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: August 2, 2024

/s/ Briony R. Quinn  
\_\_\_\_\_  
Briony R. Quinn  
Executive Vice President and  
Chief Financial Officer  
(Principal Financial Officer)



**Certification**  
**Pursuant to 18 U.S.C. Section 1350**

The undersigned officers, who are the Chief Executive Officer and Chief Financial Officer of DiamondRock Hospitality Company (the “Company”), each hereby certifies to the best of his or her knowledge, that the Company’s Quarterly Report on Form 10-Q (the “Report”) to which this certification is attached, as filed with the Securities and Exchange Commission on the date hereof, fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended, and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Jeffrey J. Donnelly

Jeffrey J. Donnelly  
Chief Executive Officer

August 2, 2024

/s/ Briony R. Quinn

Briony R. Quinn  
Executive Vice President and Chief Financial Officer

August 2, 2024