

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name DIAMONDROCK HOSPITALITY COMPANY		2 Issuer's employer identification number (EIN) 20-1180098	
3 Name of contact for additional information BRIONY R. QUINN	4 Telephone No. of contact 240-744-1150	5 Email address of contact BRIONY.QUINN@DRHC.COM	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 2 BETHESDA METRO CENTER, SUITE 1400		7 City, town, or post office, state, and ZIP code of contact BETHESDA, MD 20814	
8 Date of action		9 Classification and description STOCK	
10 CUSIP number 252784400	11 Serial number(s)	12 Ticker symbol DRH	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ DiamondRock Hospitality Company made cash distributions on September 30, 2020 and December 31, 2020 to each of its Series A preferred stock shareholders of record on September 20, 2020 and December 19, 2020, respectively.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ The full amount of each cash distribution made by DiamondRock Hospitality Company during the calendar year 2020 with respect to its Series A preferred stock is not taxable as a dividend under section 301(c)(1), but is applied against basis under section 301(c)(2) ("return of capital"). The return of capital on a per share basis is as follows:

Distribution Date	Amount per Share
September 30, 2020	\$0.177600
December 31, 2020	\$0.515625

As such, each shareholder's tax basis in the Series A preferred stock of DiamondRock Hospitality Company is decreased by the lesser of the amount of the shareholder's share of the return of capital distributions or the shareholder's tax basis in such Series A preferred stock.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ The change in basis was determined by comparing the cash distributions made by DiamondRock Hospitality Company during calendar year 2020 to the amount of its accumulated earnings and profits and current year earnings and profits, as determined under sections 312 and 316. Total cash distributions made during 2020 with respect to the Series A preferred shares were \$3,299,751. At the time such distributions were made, DiamondRock Hospitality Company had negative accumulated earnings and profits. Accordingly, the distributions of \$3,299,751 are considered to be a return of capital to the shareholders of the Series A preferred stock. The return of capital percentage is 100% (\$3,299,751 / \$3,299,751).

Part II Organizational Action *(continued)*

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ [Sections 301, 312 and 316](#)


18 Can any resulting loss be recognized? ▶ [No loss can be recognized as a result of the cash distributions to the Series A preferred shareholders.](#)

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ [The reporting tax year is 2020.](#)

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here
Signature ▶  Date ▶ 1/25/2021

Print your name ▶ Briony R. Quinn Title ▶ SVP & TREASURER

Paid Preparer Use Only	Print/Type preparer's name <u>Jon August</u>	Preparer's signature 	Date <u>01/25/21</u>	Check <input type="checkbox"/> if self-employed	PTIN <u>P01281047</u>
	Firm's name ▶ <u>ERNST & YOUNG U.S. LLP</u>	Firm's EIN ▶ <u>34-6565596</u>		Phone no. <u>703-747-1000</u>	
	Firm's address ▶ <u>1775 TYSONS BLVD. TYSONS, VA 22102</u>				