BERKSHIRE HILLS BANCORP INC
Form S-4
February 03, 2005
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As filed with the Securities and Exchange Commission on February 3, 2005

Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form S-4

REGISTRATION STATEMENT

UNDER THE SECURITIES ACT OF 1933

Berkshire Hills Bancorp, Inc.

(Exact name of Registrant as specified in its charter)

Delaware	**6036**	**04-3510455**
(State or other jurisdiction of incorporation or organization)	**(Primary Standard Industrial Classification Code Number)**	**(I.R.S. Employer Identification No.)**

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24 North Street

Pittsfield, Massachusetts 01201

(413) 443-5601

(Address, including zip code, and telephone number, including area code, of Registrant s principal executive offices)

Gerald A. Denmark

Senior Vice President, General Counsel and Corporate Secretary

Berkshire Hills Bancorp, Inc.

24 North Street

Pittsfield, Massachusetts 01201

(413) 443-5601

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Lawrence S. Makow, Esq.
Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, NY 10019

Douglas P. Faucette, Esq.
Lord Bissell & Brook LLP
1717 Pennsylvania Avenue N.W., Suite 500
Washington, DC 20006

Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after this Registration Statement becomes effective.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. ¨

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to Be Registered	**Amount to be Registered**	**Proposed Maximum Offering Price Per Share**	**Proposed Maximum Aggregate Offering Price**	**Amount of Registration Fee**
	3,194,447 (1)	N/A	$112,216,255 (2)	$13,208 (3)

Common stock, par value $0.01 per share of Registrant

(1) The maximum number of shares of Berkshire Hills Bancorp, Inc. (Berkshire) common stock, par value $0.01 per share (Berkshire Common Stock) estimated to be issuable upon the completion of the merger of Woronoco Bancorp, Inc. (Woronoco) with and into Berkshire, based on the number of shares of Woronoco common stock, par value $0.01 per share (Woronoco Common Stock), outstanding, or reserved for issuance under various plans, immediately prior to the merger and the exchange of shares of Woronoco Common Stock for shares of Berkshire Common Stock pursuant to the formula set forth in the Agreement and Plan of Merger, dated as of December 16, 2004, by and between Berkshire and Woronoco.

(2) Estimated solely for the purpose of calculating the registration fee required by Section 6(b) of the Securities Act, and calculated pursuant to Rule 457(f) under the Securities Act. Pursuant to Rule 457(c), (f)(1) and (f)(3) under the Securities Act, based on the aggregate market value on February 1, 2005 of the shares of Woronoco Common Stock expected to be exchanged in connection with the merger, the proposed maximum aggregate offering price is $112,216,255, which was determined by taking (i) the product of (A) the average of the high and low prices of Woronoco Common Stock as reported on the American Stock Exchange on February 1, 2005 ($35.33) and (B) 4,154,967, representing the maximum number of shares of Woronoco Common Stock expected to be exchanged in connection with the merger, less (ii) the amount of cash expected to be paid by Berkshire in exchange for shares of Woronoco Common Stock ($34,578,729).

(3) Calculated by multiplying (i) the proposed maximum aggregate offering price of $112,216,255 by (ii) 0.0001177.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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The information in this joint proxy statement/prospectus is not complete and may be changed. We may not sell these securities until a registration statement filed with the Securities and Exchange Commission is effective. This joint proxy statement/prospectus is not an offer to sell these securities, and we are not soliciting offers to buy these securities, in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED [ ], 2005

MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT

The Boards of Directors of Berkshire Hills Bancorp, Inc. and Woronoco Bancorp, Inc. have each unanimously approved the merger of Berkshire and Woronoco. The combined company will be called Berkshire Hills Bancorp, Inc. If the merger of Woronoco into Berkshire is completed, stockholders of Woronoco will have the right to elect to receive either $36.00 in cash or one share of Berkshire common stock in exchange for each share of Woronoco held by them, subject to proration so that 75 percent of the outstanding Woronoco common shares are converted into Berkshire common stock in the merger and the balance are converted into the cash consideration. Based upon the closing sales price of Berkshire common stock on the American Stock Exchange on December 16, 2004, the last trading day before we announced the merger, the value of the per share consideration to be received by Woronoco stockholders who receive Berkshire stock in the merger is $37.00. Based upon the closing sales price of Berkshire common stock as reported on the American Stock Exchange on [ ], 2005, the latest practicable trading day prior to the mailing of this joint proxy statement/prospectus, the per share consideration to be received by Woronoco stockholders who receive Berkshire stock in the merger is $[ ]. The implied value of the stock consideration will fluctuate as the market price of the Berkshire common stock fluctuates and, since elections are subject to proration as described above, there can be no assurance that a Woronoco stockholder will receive Berkshire common stock, rather than cash, as to each Woronoco share for which the stockholder makes a stock election. Berkshire common stock trades on the American Stock Exchange under the ticker symbol BHL. Woronoco common stock trades on the American Stock Exchange under the ticker symbol WRO. You may obtain current market price quotations for each company s common stock from newspapers, over the Internet or from other sources. After completion of the merger, Berkshire stockholders and Woronoco stockholders are expected to own approximately 68.2% and 31.8%, respectively, of the combined company (based on the number of shares issued and outstanding prior to the completion of the merger).

We expect the merger to generally be tax-free to holders of Woronoco common stock for federal income tax purposes except to the extent that they receive cash, including the cash consideration in the merger and any cash that they receive instead of fractional shares of Berkshire common stock.

We cannot complete the merger unless the stockholders of both companies approve it. Each of us will hold a special meeting of our stockholders to consider and vote on this merger proposal and other matters. Your vote is important. Whether or not you plan to attend your company s special meeting, please take the time to vote by completing and mailing the enclosed proxy card to us. If you sign, date and mail your proxy card without indicating how you want to vote, your proxy will be counted as a vote **FOR** the merger and the transactions contemplated by the merger agreement. If you do not return your card, or if you do not instruct your broker how to vote any shares held for you in street name, the effect will be a vote against the merger, although your vote will count for purposes of determining whether a quorum exists.

This document contains important information about Berkshire and Woronoco, the merger, the documents related to the merger and certain other matters. In addition, you may obtain information about Berkshire and Woronoco from reports and other documents that each files with the Securities and Exchange Commission.

The places, dates and times of the special meetings are as follows:

For Berkshire Stockholders:	**For Woronoco Stockholders:**
[DATE],	[DATE],
[TIME], local time	[TIME], local time
[ADDRESS]	[ADDRESS]

We enthusiastically support this combination of two strong franchises in the financial services industry and join with the other members of our Boards of Directors in unanimously recommending that you vote in favor of the merger.

Michael P. Daly	Cornelius D. Mahoney
President and Chief Executive Officer Berkshire Hills Bancorp, Inc.	Chairman of the Board, President and Chief Executive Officer Woronoco Bancorp, Inc.

Berkshire common stock is quoted on the American Stock Exchange under the symbol BHL. Woronoco common stock is quoted in the American Stock Exchange under the symbol WRO.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED THE SECURITIES TO BE ISSUED UNDER THIS JOINT PROXY STATEMENT/PROSPECTUS OR DETERMINED IF THIS JOINT PROXY STATEMENT/PROSPECTUS IS ACCURATE OR ADEQUATE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THE SECURITIES WE ARE OFFERING THROUGH THIS DOCUMENT ARE NOT SAVINGS OR DEPOSIT ACCOUNTS OR OTHER OBLIGATIONS OF ANY BANK OR NON-BANK SUBSIDIARY OF EITHER OF OUR COMPANIES, AND THEY ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, THE BANK INSURANCE FUND OR ANY OTHER GOVERNMENTAL AGENCY.

The date of this joint proxy statement/prospectus is [ ], 2005, and

it is first being mailed to stockholders on or about [ ], 2005.

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Berkshire Hills Bancorp, Inc.

24 North Street

Pittsfield, Massachusetts 01201

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

To Be Held On [DATE]

Berkshire Hills Bancorp, Inc. will hold a special meeting of stockholders on [DAY], [DATE] at [TIME], local time, at [ADDRESS] for the following purposes:

1. To consider and vote on a proposal to approve and adopt the agreement and plan of merger, dated as of December 16, 2004, as it may be amended from time to time, by and between Berkshire Hills Bancorp, Inc. and Woronoco Bancorp, Inc., pursuant to which Woronoco will merge with and into Berkshire. This proposal is described more fully in the accompanying document;

2. To approve the adjournment of the special meeting, if necessary, to solicit additional proxies in the event that there are not sufficient votes at the time of the special meeting to approve proposal (1); and

3. To transact any other business that properly comes before the special meeting.

You are entitled to notice of, and to vote at, the special meeting or any adjournments or postponements of the meeting only if you were a holder of record of Berkshire common stock at the close of business on [DATE]. A complete list of Berkshire stockholders entitled to vote at the special meeting will be made available for inspection by any Berkshire stockholder at the time and place of the Berkshire special meeting. In order for the merger agreement to be approved, the holders of a majority of the outstanding shares of Berkshire common stock entitled to vote thereon must vote in favor of approval and adoption of the merger agreement.

Berkshire s board of directors has unanimously determined that the merger is advisable and is fair to and in the best interest of Berkshire and its stockholders, has unanimously approved the merger agreement and the merger, and unanimously recommends that you vote FOR approval and adoption of the merger agreement.

It is very important that your shares be represented at the special meeting. Whether or not you plan to attend the special meeting, please complete, date and sign the enclosed proxy card and return it as soon as possible in the enclosed postage-paid envelope. A stockholder who executes a proxy may revoke it at any time before it is exercised by giving written notice to Gerald A. Denmark, Senior Vice President, General Counsel and Corporate Secretary of Berkshire, by subsequently filing another proxy or by attending the special meeting and voting in person. Do not send any of your stock certificates with your proxy card or otherwise; Berkshire stockholders will not be exchanging their stock in connection with this merger.

By order of the Board of Directors

Gerald A. Denmark
Senior Vice President,

General Counsel and Corporate Secretary
Pittsfield, Massachusetts

[DATE]

YOUR VOTE IS IMPORTANT. PLEASE COMPLETE, SIGN, DATE AND RETURN YOUR PROXY CARD EVEN IF YOU PLAN TO ATTEND THE MEETING.

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Woronoco Bancorp, Inc.

31 Court Street

Westfield, Massachusetts 01085

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

To Be Held On [DATE]

Woronoco Bancorp, Inc. will hold a special meeting of stockholders on [DAY], [DATE] at [TIME], local time, at [ADDRESS] for the following purposes:

1. To consider and vote on a proposal to approve and adopt the agreement and plan of merger, dated as of December 16, 2004, as it may be amended from time to time, by and between Berkshire Hills Bancorp, Inc. and Woronoco Bancorp, Inc., pursuant to which Woronoco will merge with and into Berkshire. This proposal is described more fully in the accompanying document;

2. To approve the adjournment of the special meeting, if necessary, to solicit additional proxies in the event that there are not sufficient votes at the time of the special meeting to approve proposal (1); and

3. To transact any other business that properly comes before the special meeting.

You are entitled to notice of, and to vote at, the special meeting or any adjournments or postponements of the meeting only if you were a holder of record of Woronoco common stock at the close of business on [DATE]. A complete list of Woronoco stockholders entitled to vote at the special meeting will be made available for inspection by any Woronoco stockholder at the time and place of the Woronoco special meeting. In order for the merger agreement to be approved, the holders of a majority of the outstanding shares of Woronoco common stock entitled to vote thereon must vote in favor of approval and adoption of the merger agreement.

Woronoco s board of directors has unanimously determined that the merger is advisable and is fair to and in the best interest of Woronoco s stockholders, has unanimously approved the merger agreement and the merger, and unanimously recommends that you vote FOR approval and adoption of the merger agreement.

Pursuant to Section 262 of the Delaware General Corporation Law, you are entitled to exercise your right to dissent and seek appraisal of the fair value of your shares of common stock if the merger is consummated. In order to do so, however, you must properly perfect your appraisal rights in accordance with the procedures described at Appendix D, and summarized on pages 67 to 70 of this document.

It is very important that your shares be represented at the special meeting. Whether or not you plan to attend the special meeting, please complete, date and sign the enclosed proxy card and return it as soon as possible in the enclosed postage-paid envelope. A stockholder who executes a proxy may revoke it at any time before it is exercised by giving written notice to Terry J. Bennett, Corporate Secretary of Woronoco, by subsequently filing another proxy or by attending the special meeting and voting in person. Do not send your stock certificate with your proxy card.

By order of the Board of Directors

Terry J. Bennett

Corporate Secretary
Westfield, Massachusetts

[DATE]

YOUR VOTE IS IMPORTANT. PLEASE COMPLETE, SIGN, DATE AND RETURN YOUR PROXY CARD EVEN IF YOU PLAN TO ATTEND THE MEETING.

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SUMMARY

The following highlights selected information from this document. This summary does not contain all of the information that is important to your decision. Before you vote, you should give careful consideration to all of the information contained in or incorporated by reference into this document to fully understand the merger agreement and the merger. See Where You Can Find More Information on page 75. The purpose of this document is to provide information to you about the merger agreement and the merger and to solicit your vote in favor of approving and adopting the merger agreement.

In the Merger, Woronoco Common Stockholders Will Have the Right to Elect to Receive Either $36.00 in Cash or One Share of Berkshire Common Stock (page 49)

If the merger takes place, if you are a Woronoco stockholder you will be entitled to receive, at your election, either $36.00 in cash, without interest, or one share of Berkshire common stock (with cash paid instead of issuing any fractional shares) for each of your shares of Woronoco common stock, subject to proration as described in this document. For each share of Woronoco common stock you own, you may specify an election to receive one share of Berkshire common stock or $36.00 in cash. For example, if you own 100 shares of Woronoco common stock, you, for example, could elect to receive cash for 40 shares and Berkshire common stock for the other 60 shares.

Regardless of the elections made by individual Woronoco stockholders, 75% of the outstanding shares of Woronoco common stock will be converted into Berkshire common stock, with the remaining shares converted into cash. Therefore, if Woronoco stockholders elect more stock or cash than provided for under the merger agreement, elections for the over-subscribed form of merger consideration will be prorated so that the overall 75/25 split of the consideration is achieved. For instance, if Berkshire common stock is oversubscribed, Woronoco shares as to which elections to receive Berkshire common stock have been made will instead receive cash, and each stockholder who elected to receive Berkshire common stock will have those elections changed from stock to cash on a pro rata basis. Accordingly, despite the election procedure, there is no assurance that you will receive the particular form of consideration that you elect with respect to each share of Woronoco common stock you hold. See The Merger Agreement Conversion of Shares; Exchange of Certificates; Elections as to Form of Consideration.

Based upon the closing sales price of Berkshire common stock as reported on the American Stock Exchange on [ ], 2005, the latest practicable trading day prior to the mailing of this joint proxy statement/prospectus, the per share consideration to be received by Woronoco stockholders who receive Berkshire stock in the merger is $[ ]. The implied value of the stock consideration will fluctuate as the market price of the Berkshire common stock fluctuates and, since elections are subject to proration as described above, there can be no assurance that a Woronoco stockholder will receive Berkshire common stock, rather than cash, as to each Woronoco share for which the stockholder makes a stock election. Berkshire common stock trades on the American Stock Exchange under the ticker symbol BHL. Woronoco common stock trades on the American Stock Exchange under the ticker symbol WRO. You may obtain current market price quotations for each company s common stock from newspapers, over the Internet or from other sources.

Election Procedures

Each Woronoco stockholder of record is being sent an election form, which you should complete and return, along with your Woronoco stock certificate(s), according to the instructions printed on the form. The election deadline will be 5:00 p.m. New York City time on [DATE], which is the day prior to the special meeting. A copy of the election form is being provided with this joint proxy statement/prospectus to holders of record at the close of business on [ ], 2005 of Woronoco common stock. If you do not send in the election form with your stock certificates by the election deadline, you will be treated as a non-electing stockholder as described on page 49.

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Do not send your Woronoco stock certificates and/or the election form with your proxy card. These should be returned separately to the address specified on the election form and the letter of transmittal accompanying the election form.

Election forms will only be sent to Woronoco stockholders of record and only record holders are entitled to return forms specifying elections. If you are not a record owner of any of your shares of Woronoco but rather own shares of Woronoco common stock in street name through a bank, broker or other financial institution, and you wish to make an election as to those shares, you should seek instructions from the bank, broker or other financial institution holding your shares concerning how to make your election.

You can revoke your election provided you submit new election materials prior to the election deadline. You may do so by submitting a written notice to Registrar and Transfer Company, the exchange agent for the merger, that is received prior to the deadline at the address included on the form of election.

The revocation must specify the account name and such other information as the exchange agent may request; revocations may not be made in part. New elections must be submitted in accordance with the election procedures described on page 51. If you hold Woronoco shares in street name and instruct a bank, broker or other financial institution to submit an election for your shares, to change your election you must contact them and follow their directions for changing those instructions.

If you are a Berkshire stockholder, you need not take any action with respect to your Berkshire stock certificates as your Berkshire stock will not be exchanged or otherwise changed by the merger. Only Woronoco stock certificates will be converted into the merger consideration in the merger.

Information About the Berkshire Special Meeting (page 18)

Berkshire will hold a special meeting of its stockholders on [DAY], [DATE] at [TIME], local time, at [ADDRESS] for the following purposes:

- to vote on the proposal to approve and adopt the merger agreement;
- to approve the adjournment of the special meeting, if necessary, to solicit additional proxies in the event that there are not sufficient votes at the time of the special meeting to approve the proposal; and
- to transact any other business that properly comes before the special meeting.

Information About the Woronoco Special Meeting (page 21)

Woronoco will hold a special meeting of its stockholders on [DAY], [DATE] at [TIME], local time, at [ADDRESS] for the following purposes:

to vote on the proposal to approve and adopt the merger agreement;

to approve the adjournment of the special meeting, if necessary, to solicit additional proxies in the event that there are not sufficient votes at the time of the special meeting to approve the proposal; and

to transact any other business that properly comes before the special meeting.

Vote Required to Approve the Merger

A majority of the outstanding shares of each of Berkshire s common stock and Woronoco s common stock must vote in favor of the merger agreement at each company s respective special meeting for the merger agreement to be adopted and the merger approved. Every Berkshire and Woronoco stockholder s vote is

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important. Because approval and adoption of the merger agreement requires the affirmative vote of both a majority of the outstanding shares of Berkshire common stock and a majority of the outstanding shares of Woronoco common stock, abstentions and broker non-votes will have the same effect as a vote against the proposals, although such non-votes will count for purposes of determining whether a quorum exists. Broker non-votes are shares held on behalf of beneficial owners by banks, brokers and other nominees as to which voting instructions have not been received from the beneficial owners or other persons entitled to vote those shares and with respect to which the bank, broker or other nominee does not have discretionary voting power under applicable stock exchange rules.

Voting Procedures

With respect to the special meeting, indicate on the enclosed proxy card how you want to vote, and sign, date and mail it in the enclosed envelope as soon as possible so that your shares will be represented at the stockholders meeting. If you sign and send in your proxy card, but do not indicate how you want to vote, your proxy card will be voted for approval and adoption of the merger agreement and in the discretion of the proxies with respect to any other matter properly coming before the special meeting.

If you are a stockholder of either Berkshire or Woronoco, you can also choose to attend the special meeting of your company and vote your shares in person.

With respect to your cash and/or stock election if you are a Woronoco stockholder, you should complete and return the election form, together with your stock certificate(s), to Registrar and Transfer Company according to the instructions printed on the form or, if your shares are held in street name, according to the instructions provided to you by your bank, broker or other financial institution. Do not send your Woronoco stock certificates and/or your election form with your proxy card, but only according to the instructions printed on the election form.

If you are a Woronoco stockholder and you do not send in the election form with your stock certificate(s) by the [DATE] deadline, you will be considered a non-electing stockholder and your election to receive cash or Berkshire common stock will be determined automatically in accordance with the merger agreement.

Who Can Vote

If you owned shares of Berkshire common stock at the close of business on [DATE], you are entitled to vote at the Berkshire special meeting. You will have one vote for each share of Berkshire common stock that you owned at that time.

If you owned shares of Woronoco common stock at the close of business on [DATE], you are entitled to vote at the Woronoco special meeting. You will have one vote for each share of Woronoco common stock that you owned at that time.

If my shares are held in street name by my bank, broker or other financial institution, will they vote my shares for me?

Only if you instruct them how you want your shares voted. Your broker or other record holder does not have discretion to vote your shares for you on the merger proposal. If you do not provide your broker with instructions on how to vote any shares they hold on your behalf in street name, your shares will not be deemed present at the special meetings (other than for purposes of establishing the existence of a quorum) and your broker will not be permitted to vote them. You should instruct your broker to vote your shares, following the directions your broker provides. As noted above, failing to properly instruct your broker to vote your shares will have the same effect as a vote against the merger agreement.

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Can I change my vote after I have mailed my signed proxy card?

Yes. If you are a stockholder of Berkshire, there are three ways for you, prior to the Berkshire special stockholder meeting, to revoke your proxy and change your vote. First, you may send a written notice to Gerald A. Denmark, Senior Vice President, General Counsel and Corporate Secretary of Berkshire, stating that you would like to revoke your proxy. Second, you may complete and submit a new proxy card with a later date. Third, you may vote in person at the special meeting. Attendance alone will not revoke a proxy you have previously given or change your vote. If you have instructed a broker or other record holder to vote shares you beneficially own, you must follow the directions you received from them to change your vote.

If you are a stockholder of Woronoco, there are also three ways for you, prior to the Woronoco special stockholder meeting, to revoke your proxy and change your vote. First, you may send a written notice to Terry J. Bennett, Corporate Secretary of Woronoco, stating that you would like to revoke your proxy. Second, you may complete and submit a new proxy card with a later date. Third, you may vote in person at the special meeting. Attendance alone will not revoke a proxy you have previously given or change your vote. If you have instructed a broker or other record holder to vote shares you beneficially own, you must follow the directions you received from them to change your vote.

Tax Impact of Transaction to Woronoco Stockholders (page 60)

Neither Berkshire nor Woronoco will be required to complete the merger unless it receives a legal opinion to the effect that the merger will qualify as a reorganization for United States federal income tax purposes. Accordingly, we expect the transaction to generally be tax-free to holders of Woronoco common stock for federal income tax purposes except to the extent that they receive cash, including the cash consideration in the merger and any cash that they receive instead of fractional shares of Berkshire common stock.

Those holders receiving solely cash for their Woronoco common stock will generally recognize gain or loss equal to the difference between the amount of cash received and their tax basis in their shares of Woronoco common stock. Those holders receiving both Berkshire common stock and cash for their Woronoco common stock will generally recognize gain equal to the lesser of (1) the amount of cash received and (2) the excess of the amount realized in the transaction (i.e., the fair market value of the Berkshire common stock at the effective time of the merger plus the amount of cash received) over their tax basis in their Woronoco common stock. In certain circumstances, the gain or, in the case of recipients of cash only, the entire amount of cash received, could be taxable as ordinary income rather than as capital gain.

For a further summary of the federal income tax consequences of the merger to holders of Woronoco common stock, please see The Merger Agreement Material Federal Income Tax Consequences on pages 60 -63.

Berkshire s Financial Advisor Provided an Opinion to Berkshire s Board of Directors that the Merger Consideration Is Fair, From a Financial Point of View, to Berkshire and Its Stockholders (page 30)

In deciding to approve the merger, Berkshire s board of directors considered the December 16, 2004 opinion of its financial advisor, Northeast Capital & Advisory, Inc. The opinion concluded that, as of that date and subject to the factors and assumptions set forth in the opinion, the merger was fair to Berkshire and its stockholders from a financial point of view. This opinion is attached as Appendix B to this document. We encourage you to read the opinion carefully in order to more fully understand the assumptions made, matters considered and limitations of the review made by Northeast Capital in providing its opinion. Berkshire has agreed to pay Northeast Capital a transaction fee in connection with

the merger of approximately $[ ] thousand (based on the closing price of Berkshire s common stock as of [ ], 2005), of which approximately $300,000 has been paid (including $250,000 for rendering its opinion) and the balance of which is

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contingent upon the closing of the merger. In addition, Berkshire has agreed to reimburse Northeast Capital for its reasonable out-of-pocket expenses and indemnify it against various liabilities.

Woronoco s Financial Advisor Provided an Opinion to Woronoco s Board of Directors that the Merger Consideration Is Fair, From a Financial Point of View, to Woronoco Stockholders (page 39)

In deciding to approve the merger, Woronoco s board of directors considered the December 15, 2004 opinion of its financial advisor, Sandler O Neill & Partners, L.P., subsequently confirmed in writing on December 16, 2004. The opinion concluded that, as of that date and subject to the factors and assumptions set forth in the opinion, the consideration to be received by the holders of Woronoco s common stock in the merger was fair to Woronoco s stockholders from a financial point of view. This opinion is attached as Appendix C to this document. We encourage you to read the opinion carefully and in its entirety. Sandler O Neill s opinion is directed to the Woronoco board of directors and does not constitute a recommendation to any stockholder as to any matter relating to the merger. Woronoco has agreed to pay Sandler O Neill a transaction fee in connection with the merger of approximately $[ ] million (based on the closing price of Berkshire common stock on [ ], 2005), of which approximately $425,000 has been paid (including $175,000 for rendering its opinion, which will be credited against the transaction fee due to Sandler O Neill at closing) and the balance of which is contingent upon the closing of the merger. Woronoco has also agreed to reimburse certain of Sandler O Neill s reasonable out-of-pocket expenses incurred in connection with its engagement and to indemnify Sandler O Neill and its affiliates and their respective partners, directors, officers, employees, agents, and controlling persons against certain expenses and liabilities, including liabilities under securities laws.

Historical Dividends, Woronoco s Pre-Merger Dividend Policy and Berkshire s Post-Merger Dividend Policy (page 10)

The dividends paid by Berkshire and Woronoco in recent periods are set forth under Market Prices and Dividends on page 10. Additionally, under the terms of the merger agreement, Woronoco will pay its stockholders a one-time $0.25 special cash dividend. The merger agreement also permits Woronoco to continue to pay its regular quarterly cash dividends provided that Berkshire and Woronoco will coordinate on the Woronoco quarterly dividend payment prior to closing so that Woronoco stockholders do not fail to receive at least one regular quarterly dividend (from Berkshire or Woronoco), but also do not receive two regular quarterly dividends, relating to the same period. Although it is currently expected that Berkshire will continue following the merger to pay quarterly cash dividends on its common stock at levels comparable to its recent practice, the declaration of dividends by Berkshire will be at the discretion of the Berkshire board of directors within the constraints imposed by law and will be determined by the board after the consideration of various factors, including, without limitation, the earnings and financial condition of Berkshire and its subsidiaries.

Our Reasons for the Merger (pages 27 and 29)

The merger offers Berkshire and Woronoco stockholders the opportunity to participate in the growth and potential of a larger and more geographically diverse combined company. Berkshire and Woronoco believe that the combined company will be positioned as a stronger competitor and to achieve greater success than either company standing alone. For more information regarding the companies reasons for the merger, see The Merger Berkshire s Reasons for the Merger and The Merger Woronoco s Reasons for the Merger.

The Berkshire Board of Directors Recommends that Berkshire Stockholders Vote FOR Approval and Adoption of the Merger Agreement (page 27)

The Berkshire board of directors believes that the merger is in the best interests of Berkshire and its stockholders and has unanimously approved the merger agreement. The Berkshire board of directors unanimously recommends that Berkshire stockholders vote **FOR** approval and adoption of the merger agreement.

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The Woronoco Board of Directors Recommends that Woronoco Stockholders Vote FOR Approval and Adoption of the Merger Agreement (page 29)

The Woronoco board of directors believes that the merger is in the best interests of Woronoco and its stockholders and has unanimously approved the merger agreement. The Woronoco board of directors unanimously recommends that Woronoco stockholders vote **FOR** approval and adoption of the merger agreement.

Woronoco Directors and Officers Have Financial Interests in the Merger that are Different From or in Addition to Their Interests as Stockholders (page 64)

Some of Woronoco s directors and executive officers have financial interests in the merger that are different from or in addition to their interests as stockholders of Woronoco. These interests arise as a result of existing change-in-control agreements and existing rights under Woronoco equity and employee benefit plans, as well as new agreements entered into in connection with the merger and under the merger agreement. These interests are described beginning at page 64.

Dissenters Appraisal Rights in the Merger for Woronoco Stockholders (page 67)

Woronoco stockholders are entitled to exercise dissenter s rights of appraisal from the merger if they strictly follow the procedures set forth in Section 262 of the Delaware General Corporation Law and in Appendix D to this document; stockholders who duly perfect dissenter s rights will not receive the merger consideration but will be treated as provided under Delaware law. See page 67.

Completion of the Merger is Subject to a Number of Conditions (page 58)

Berkshire s and Woronoco s obligations to complete the merger are subject to the satisfaction or waiver of the following mutual conditions:

- approval and adoption of the merger agreement by both Berkshire and Woronoco stockholders;
- receipt of all governmental consents and approvals required to complete the merger and, if determined by Berkshire, the merger of Woronoco Savings Bank and Berkshire Bank;
- obtaining all notices, consents or waivers from non-governmental third parties with respect to the transactions contemplated by the merger agreement, except as would not reasonably be expected to have a material adverse effect on Berkshire or on Woronoco;
- absence of any legal prohibition on consummation of the merger or the bank combination;

the registration statement, of which this joint proxy statement/prospectus is a part, having become effective under the Securities Act and no stop order or proceedings seeking a stop order having been entered or pending by the SEC;

receipt of all approvals of the merger required under state securities or blue sky laws; and

approval of listing on the American Stock Exchange of the shares of Berkshire common stock to be issued in the merger to Woronoco stockholders.

Berkshire s and Woronoco s obligations to complete the merger are also separately subject to the satisfaction or waiver of the following conditions:

the accuracy of the representations and warranties made by the other party, unless the failure of any representation or warranty to be accurate is not reasonably likely to have a material adverse effect on the other party (provided that the other party s respective representations regarding its capital structure, and,

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in the case of Berkshire, Woronoco s representation that necessary modifications have been made to Woronoco s director and officer compensation arrangements to bring the cost of such arrangements within agreed limits, must be true in all material respects);

receipt by it of an opinion of its counsel to the effect that the merger will qualify as a reorganization for federal income tax purposes; and

performance in all material respects by the other party of all obligations required to be performed by it at or prior to the closing date of the merger.

In addition, Woronoco s obligation to complete the merger is conditioned on Berkshire having deposited with the exchange agent sufficient cash to pay the aggregate cash consideration in the merger.

Regulatory Approvals We Must Obtain to Complete the Merger (page 59)

We are working to complete the merger as quickly as practicable. While there can be no assurances, we are currently working to complete the merger during the second quarter of 2005.

In order to complete the merger, we must receive regulatory approval from the Office of Thrift Supervision and the Massachusetts Board of Bank Incorporation. In order to complete the merger of Berkshire Bank and Woronoco Savings Bank, we must receive regulatory approval from the Federal Deposit Insurance Corporation and the Massachusetts Commissioner of Banks. As of the date of this joint proxy statement/prospectus, we have not received all the required approvals. We cannot assure you as to when or if we will obtain all the required approvals.

Directorships, Advisory Board and Executive Management (pages 52 and 56)

Upon completion of the merger, three Woronoco directors, including Mr. Cornelius D. Mahoney, Chairman, President and Chief Executive Officer of Woronoco, will be added to the Berkshire board as well as to the board of Berkshire Bank. Berkshire will also establish an advisory board for Woronoco s Hampden and Hampshire County market areas and will offer membership on that board to the Woronoco directors not serving on the Berkshire holding company or bank boards. Berkshire s executive officers will be the executive officers of the combined company after the merger is completed.

Termination of the Merger Agreement (page 58)

The merger agreement can be terminated in the following circumstances:

by mutual written consent of Berkshire and Woronoco;

by either Berkshire or Woronoco if the merger is not completed by October 16, 2005;

by either Berkshire or Woronoco if the stockholders of either company do not approve the merger;

by either Berkshire or Woronoco if any judgment, order, law or regulation that prevents completion of the merger is in effect and is final and nonappealable;

by either Berkshire or Woronoco if any governmental authority has finally denied a required regulatory approval;

by Berkshire if Woronoco s board of directors fails to recommend the merger, or if Woronoco s board of directors changes its recommendation or breaches its obligation to call and hold the Woronoco stockholder meeting; and

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by either party if there is a breach of the other party s representations, warranties or covenants that, if existing at closing, would give the party the right not to complete the transaction, and which breach is not cured (or is not capable of being cured) within 30 days of written notice of the breach.

Woronoco Must Pay Berkshire a Termination Fee under Certain Circumstances (page 59)

Woronoco must pay a termination fee of $6,000,000 to Berkshire if:

a third party makes a bona fide proposal to acquire Woronoco, and the party does not withdraw the proposal at least five business days prior to the special meeting; and

thereafter either Berkshire or Woronoco terminates the merger agreement as a result of the failure of the Woronoco stockholders to approve the agreement, or if Berkshire terminates the agreement because:

Woronoco s board of directors fails to recommend that its stockholders approve the merger agreement, or because Woronoco s board of directors changes its recommendation that its stockholders approve the merger agreement or fails to hold a special meeting to approve and adopt the merger agreement; or

Woronoco materially breaches its representations and obligations under the merger agreement; and

within fifteen months after the date of termination of the merger agreement, Woronoco completes an acquisition transaction or enters into a merger agreement or other similar document related to such acquisition transaction.

Differences in the Rights of Stockholders (page 71)

The rights of the Woronoco stockholders after the merger who continue as Berkshire stockholders will be governed by the certificate of incorporation and bylaws of Berkshire rather than the certificate of incorporation and bylaws of Woronoco. Both Berkshire and Woronoco are incorporated in Delaware.

The Companies Involved in the Merger (page 24)

Berkshire Hills Bancorp, Inc.

24 North Street

Pittsfield, Massachusetts 01201

(413) 443-5601

Berkshire is a Delaware corporation and the holding company of various entities, including Berkshire Bank. Berkshire is headquartered in Pittsfield, Massachusetts. At September 30, 2004, Berkshire had total consolidated assets of approximately $1,310,509,000, total deposits of approximately $853,115,000, and stockholders equity of approximately $128,488,000, or 9.80% of total assets.

Woronoco Bancorp, Inc.

31 Court Street

Westfield, Massachusetts 01085

(413) 568-9141

Woronoco is a Delaware corporation and the holding company of various entities, including Woronoco Savings Bank. Woronoco is headquartered in Westfield, Massachusetts. At September 30, 2004, Woronoco had total consolidated assets of approximately $898,479,000 total deposits of approximately $462,200,000, and stockholders equity of approximately $81,276,000, or 9.05% of total assets.

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Share Information and Market Prices

Berkshire s common stock is traded on the American Stock Exchange under the trading symbol BHL. Woronoco s common stock is traded on the American Stock Exchange under the trading symbol WRO. The table below presents the per share closing prices of Berkshire s and Woronoco s common stock on December 16, 2004, the last trading date before public announcement of the merger agreement and (2) [ ], 2005, the latest practicable date before printing of this joint proxy statement/prospectus. The equivalent price per share column is calculated by multiplying the closing market price of the Berkshire common stock on the relevant date by the 1.0 share of Berkshire common stock to be issued in the merger for each share of Woronoco common stock to those stockholders electing the stock consideration, assuming no proration. For more information about the exchange ratio, see The Merger Agreement Merger Consideration beginning on page 49, and for more information about the stock prices and dividends of Berkshire and Woronoco, see Market Prices and Dividends beginning on page 10.

	Last Reported Sale Price		
Date	Berkshire Common Stock	Woronoco Common Stock	Equivalent Per Share Price
December 16, 2004	$ 37.00	$ 37.29	$ 36.75
[ ]	$ [ ]	$ [ ]	$ [ ]

Woronoco stockholders are advised to obtain current market quotations for Berkshire s common stock. The market price of Berkshire s common stock will fluctuate between the date of this joint proxy statement/prospectus and the date on which the merger takes place, as well as after completion of the merger. No assurance can be given as to the market price of Berkshire s common stock at the time of the merger.

If you have questions or if you need additional copies of this joint proxy statement/prospectus or other documents, you should contact:

For Berkshire stockholders:
MacKenzie Partners, Inc.

105 Madison Avenue

New York, NY 10016

(800) 322-2885

Banks and brokers should call:

(212) 929-5500

For Woronoco stockholders:
Georgeson Shareholder Communications, Inc.

17 State Street, 10th Floor

New York, NY 10004

(877) 278-6775

Banks and brokers should call:

(212) 440-9800

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MARKET PRICES AND DIVIDENDS

The following tables set forth, for the periods indicated, the high and low sale prices per share of Berkshire s and Woronoco s common stock as reported on the American Stock Exchange, as well as cash dividends paid on Berkshire s and Woronoco s common stock during the periods indicated. You are urged to obtain current quotations for Berkshire and Woronoco common stock shares.

Berkshire

Common Stock

	Market Price		Cash Dividends
	High	Low	Paid
Quarter Ended:			
December 31, 2004	$ 38.20	$ 34.55	$ 0.12
September 30, 2004	39.20	34.80	0.12
June 30, 2004	37.30	32.46	0.12
March 31, 2004	39.20	34.40	0.12
December 31, 2003	37.60	33.40	0.12
September 30, 2003	34.30	28.00	0.12
June 30, 2003	28.80	22.75	0.12
March 31, 2003	24.08	21.77	0.12

Woronoco

Common Stock

	Market Price		Cash Dividends
	High	Low	Paid
Quarter Ended:			
December 31, 2004	$ 38.99	$ 32.30	$ 0.2025
September 30, 2004	40.20	33.35	0.2000
June 30, 2004	37.95	27.75	0.1975
March 31, 2004	39.75	33.25	0.1900
December 31, 2003	40.50	28.00	0.1725
September 30, 2003	29.00	25.45	0.1700
June 30, 2003	29.64	21.10	0.1550
March 31, 2003	22.41	21.00	0.1500

Additionally, under the terms of the merger agreement, Woronoco will pay its stockholders a one-time $0.25 special cash dividend. This dividend will be paid in addition to the regular quarterly cash dividends to be paid by Woronoco. The merger agreement also permits Woronoco to continue to pay its regular quarterly cash dividends provided that Berkshire and Woronoco will coordinate on the Woronoco quarterly dividend payment prior to closing so that Woronoco stockholders do not fail to receive at least one regular quarterly dividend (from Berkshire or Woronoco), but also do not receive two regular quarterly dividends, relating to the same period. Although it is currently expected that Berkshire will continue following the merger to pay quarterly cash dividends on its common stock at levels comparable to its recent practice, the declaration of dividends by Berkshire will be at the discretion of the Berkshire board of directors within the constraints imposed by law and will be determined by the board after the consideration of various factors, including, without limitation, the earnings and financial condition of Berkshire and its subsidiaries.

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S ELECTED FINANCIAL DATA

The tables below present summary historical financial and other data for Berkshire and Woronoco as of the dates and for the periods indicated. The summary data for Berkshire is based on and should be read in conjunction with Berkshire s historical consolidated financial statements and related notes which are presented in its prior filings with the SEC, and which are incorporated by reference into this document. The summary data for Woronoco is based on and should be read in conjunction with Woronoco s historical consolidated financial statements and related notes which are presented in its prior filings with the SEC, and which are incorporated by reference in this document. For historical information, see Where You Can Find More Information on page 75.

Berkshire derived the following historical financial information from its audited consolidated financial statements at December 31, 2003, 2002, 2001, 2000 and 1999 and for each of the years then ended and from its unaudited consolidated financial statements as at and for the nine months ended September 30, 2004 and 2003.

Woronoco derived the following historical information from its audited consolidated financial statements at December 31, 2003, 2002, 2001, 2000 and 1999 and for each of the years then ended and from its unaudited consolidated financial statements as at and for the nine months ended September 30, 2004 and 2003.

In the opinion of management of Berkshire and Woronoco, respectively, the unaudited financial statements of Berkshire and Woronoco include all normal recurring adjustments necessary for a fair presentation of the financial position and results of operations as at or for these periods in accordance with United States generally accepted accounting principles. You should not assume that the results presented below are indicative of results for any future period.

Selected Consolidated Financial Data Berkshire

	At or For the Nine Months Ended September 30,		At or For the Years Ended December 31,				
	2004	2003	2003	2002	2001	2000	1999
	(In thousands, except per share data)						
Selected Financial Data:							
Total assets	$ 1,310,509	$ 1,167,906	$ 1,218,548	$ 1,045,947	$ 1,030,701	$ 1,011,340	$ 841,651
Loans, net	808,413	790,183	783,258	712,714	791,920	783,405	665,554
Investment securities:							
Available-for-sale	387,950	243,451	307,425	173,169	104,446	99,309	93,084
Held-to-maturity	26,255	41,380	36,903	44,267	33,263	32,238	17,014
Federal Home Loan Bank (FHLB) stock	16,898	11,416	12,923	7,440	7,027	5,651	3,843
Savings Bank Life Insurance stock	2,043	2,043	2,043	2,043	2,043	2,043	2,043
Deposits [1]	853,115	827,782	830,244	782,360	742,729	729,594	680,767
Federal Home Loan Bank advances	324,831	191,318	251,465	133,002	133,964	101,386	58,928
Repurchase agreements				700	1,890	2,030	1,120
Total stockholders equity	128,488	120,257	123,175	120,569	139,323	161,322	88,352

Real estate owned				1,500	0	50	220
Nonperforming loans	2,714	3,651	3,199	3,741	2,702	2,869	2,841
Selected Operating Data:							
Total interest and dividend income	$ 45,274	$ 41,898	$ 56,308	$ 64,128	$ 75,796	$ 71,018	$ 58,468
Total interest expense	15,115	14,076	18,742	23,428	33,560	33,468	26,922
Net interest income	30,159	27,822	37,566	40,700	42,236	37,550	31,546
Provision for loan losses	1,140	1,685	1,460	6,180	7,175	3,170	3,030
Net interest income after provision for loan losses	29,019	26,137	36,106	34,520	35,061	34,380	28,516
Non-interest income:							
Service charges and fees	3,818	3,643	4,776	4,469	4,187	3,743	3,405
Gain on sales and dispositions of securities, net	1,013	1,513	3,077	14,470	268	423	491
Gain (Loss) on sale of loans	84	240	(1,854)	(10,702)			
Other	651	352	449	(1,810)	2,628	580	402
Total non-interest income	5,566	5,748	6,448	6,427	7,083	4,746	4,298
Total non-interest expense	21,677	21,337	28,243	37,279	28,927	32,184	25,196

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Selected Consolidated Financial Data Berkshire

	At or For the Nine Months Ended September 30,		At or For the Years Ended December 31,				
	2004	2003	2003	2002	2001	2000	1999
	(In thousands, except per share data)						
Income from continuing operations before income taxes	12,908	10,548	14,311	3,668	13,217	6,942	7,618
Provision for income taxes	4,144	4,037	5,161	885	4,334	2,360	1,995
Income from continuing operations	8,764	6,511	9,150	2,783	8,883	4,582	5,623
(Loss) income from discontinued operations [2]	(653)	(208)	(282)	(1,040)	43		
Income tax (benefit) expense	(222)	(71)	(97)	(354)	15		
Net loss from discontinued operations	(431)	(137)	(185)	(686)	28		
Net income	$ 8,333	$ 6,374	$ 8,965	$ 2,097	$ 8,911	$ 4,582	$ 5,623
Dividends per share	$ 0.36	$ 0.36	$ 0.48	$ 0.48	$ 0.43	$ 0.10	N/A
Earnings per share							
Basic	$ 1.58	$ 1.20	$ 1.70	$ 0.39	$ 1.42	N/A	N/A
Diluted	$ 1.45	$ 1.12	$ 1.57	$ 0.36	$ 1.35	N/A	N/A

Significant Statistical Data Berkshire

	At or For the Nine Months Ended September 30,		At or For the Years Ended December 31,				
	2004	2003	2003	2002	2001	2000	1999
	(Percent)						
Selected Operating Ratios and Other Data [3]:							
Performance Ratios:							
Average yield on interest-earning assets	4.96%	5.49%	5.35%	6.49%	7.80%	8.04%	7.65%
Average rate paid on interest-bearing liabilities	1.92	2.17	2.10	2.85	4.25	4.64	4.15
Interest rate spread [4]	3.04	3.32	3.25	3.64	3.55&nbDTH="2%" VALIGN="top" ALIGN="left">	a dealer in securities or currencies;	

a financial institution;

a regulated investment company;

a real estate investment trust;

a tax-exempt organization;

an insurance company;

a person holding the debt securities or common or preferred stock as part of a hedging, integrated, conversion or constructive sale transaction or a straddle;

a trader in securities that has elected the mark-to-market method of accounting for your securities;

a person liable for alternative minimum tax;

a partnership or other pass-through entity for U.S. federal income tax purposes;

a U.S. holder (as defined below) whose functional currency is not the U.S. dollar;

a controlled foreign corporation ;

a passive foreign investment company ;

a person required to accelerate the recognition of any item of gross income with respect to the debt securities or common or preferred stock as a result of such income being recognized on an applicable financial statement; or

a United States expatriate.

This summary is based upon provisions of the Internal Revenue Code of 1986, as amended (the Code), and regulations, rulings and judicial decisions as of the date hereof. Those authorities may be changed, perhaps retroactively, so as to result in U.S. federal income and estate tax consequences different from those summarized below.

The discussion below assumes that all debt securities issued under this prospectus will be classified as our indebtedness for U.S. federal income tax purposes, and you should note that in the event of an alternative characterization, the tax consequences to you would differ from those discussed below. Accordingly, if we intend to treat a debt security as other than debt for U.S. federal income tax purposes, we will disclose the relevant tax considerations in the applicable prospectus supplement. We will summarize any special U.S. federal tax considerations relevant to a particular issue of the debt securities or common or preferred stock (for example, any convertible debt securities) in the applicable prospectus supplement. We will also summarize material federal income tax consequences, if any, applicable to any offering of depositary shares, debt warrants, subscription rights, purchase contracts and units in the applicable prospectus supplement.

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For the purposes of this summary, a U.S. holder means a beneficial owner of the debt securities or common or preferred stock that is, for U.S. federal income tax purposes, any of the following:

- an individual citizen or resident of the United States;
- a corporation (or any other entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if it (1) is subject to the primary supervision of a court within the United States and one or more United States persons have the authority to control all substantial decisions of the trust or (2) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a United States person.

A non-U.S. holder means a beneficial owner of the debt securities or common or preferred stock who is neither a United States holder nor a partnership for U.S. federal income tax purposes.

If a partnership (or other entity treated as a partnership for U.S. federal income tax purposes) holds the debt securities or common or preferred stock, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. If you are a partner of a partnership holding the debt securities or common or preferred stock, you should consult your tax advisors.

This summary does not represent a detailed description of the U.S. federal income tax consequences to you in light of your particular circumstances and does not address the effects of any state, local or non-United States tax laws. If you are considering the purchase of the debt securities or common or preferred stock, you should consult your own tax advisors concerning the particular U.S. federal income and estate tax consequences to you of the ownership of the debt securities or common or preferred stock, as well as the consequences to you arising under other U.S. federal tax laws and the laws of any other taxing jurisdiction.

Debt Securities

Consequences to U.S. Holders

The following is a summary of the material U.S. federal income tax consequences that will apply to you if you are a U.S. holder of debt securities.

Payments of Interest

Except as set forth below, interest on a debt security will generally be taxable to you as ordinary income at the time it is paid or accrued in accordance with your method of accounting for U.S. federal income tax purposes.

Original Issue Discount

If you own debt securities issued with original issue discount (OID and such debt securities, original issue discount debt securities), you will be subject to special tax accounting rules, as described in greater detail below. In that case, you should be aware that you generally must include OID in gross income (as ordinary income) in advance of the receipt of cash attributable to that income. However, you generally will not be required to include separately in income cash payments received on the debt securities, even if denominated as interest, to the extent those payments do not constitute qualified stated interest, as defined below. Notice will be given in the applicable prospectus supplement when we determine that a particular debt security will be an original issue discount debt security.

Additional OID rules applicable to debt securities that are denominated in or determined by reference to a currency other than the U.S. dollar (foreign currency debt securities) are described under Foreign Currency

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Debt Securities below. A debt security with an issue price that is less than its stated redemption price at maturity (the sum of all payments to be made on the debt security other than qualified stated interest) generally will be issued with OID in an amount equal to that difference if that difference is at least 0.25% of the stated redemption price at maturity multiplied by the number of complete years to maturity.

The issue price of each debt security in a particular offering will be the first price at which a substantial amount of that particular offering is sold to the public for cash. The term qualified stated interest means stated interest that is unconditionally payable in cash or in property, other than debt instruments of the issuer, and meets all of the following conditions:

- it is payable at least once per year;
- it is payable over the entire term of the debt security; and
- it is payable at a single fixed rate or, subject to certain conditions, a rate based on one or more interest indices.

We will give you notice in the applicable prospectus supplement when we determine that a particular debt security will bear interest that is not qualified stated interest.

If you own a debt security issued with de minimis OID, which is discount that is not OID because it is less than 0.25% of the stated redemption price at maturity multiplied by the number of complete years to maturity, you generally must include the de minimis OID in income at the time principal payments on the debt securities are made in proportion to the amount paid. Any amount of de minimis OID that you have included in income will be treated as capital gain.

Certain of the debt securities may contain provisions permitting them to be redeemed prior to their stated maturity at our option and/or at your option. Original issue discount debt securities containing those features may be subject to rules that differ from the general rules discussed herein. If you are considering the purchase of original issue discount debt securities with those features, you should carefully examine the applicable prospectus supplement and should consult your own tax advisors with respect to those features since the tax consequences to you with respect to OID will depend, in part, on the particular terms and features of the debt securities.

If you own original issue discount debt securities with a maturity upon issuance of more than one year, you generally must include OID in income in advance of the receipt of some or all of the related cash payments using the constant yield method described in the following paragraphs.

The amount of OID that you must include in income if you are the initial holder of an original issue discount debt security is the sum of the daily portions of OID with respect to the debt security for each day during the taxable year or portion of the taxable year in which you held that debt security (accrued OID). The daily portion is determined by allocating to each day in any accrual period a pro rata portion of the OID allocable to that accrual period. The accrual period for an original issue discount debt security may be of any length and may vary in length over the term of the debt security, provided that each accrual period is no longer than one year and each scheduled payment of principal or interest occurs on the first day or the final day of an accrual period. The amount of OID allocable to any accrual period other than the final accrual period is an amount equal to the excess, if any, of:

the debt security s adjusted issue price at the beginning of the accrual period multiplied by its yield to maturity, determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period, over

the aggregate of all qualified stated interest allocable to the accrual period.

OID allocable to a final accrual period is the difference between the amount payable at maturity, other than a payment of qualified stated interest, and the adjusted issue price at the beginning of the final accrual period.

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Special rules will apply for calculating OID for an initial short accrual period. The adjusted issue price of a debt security at the beginning of any accrual period is equal to its issue price increased by the accrued OID for each prior accrual period, determined without regard to the amortization of any acquisition or bond premium, as described below, and reduced by any payments previously made on the debt security other than a payment of qualified stated interest. Under these rules, you will have to include in income increasingly greater amounts of OID in successive accrual periods. We are required to provide information returns stating the amount of OID accrued on debt securities held by persons of record other than certain exempt holders.

Debt securities that provide for a variable rate of interest and that meet certain other requirements (floating rate debt securities) are subject to special OID rules. In the case of an original issue discount debt security that is a floating rate debt security, the yield to maturity and qualified stated interest will be determined solely for purposes of calculating the accrual of OID as though the debt security will bear interest in all periods at a fixed rate generally equal to the rate that would be applicable to interest payments on the debt security on its date of issue or, in the case of certain floating rate debt securities, the rate that reflects the yield to maturity that is reasonably expected for the debt security. Additional rules may apply if either:

- the interest on a floating rate debt security is based on more than one interest index; or
- the principal amount of the debt security is indexed in any manner.

The discussion above generally does not address debt securities providing for contingent payments. You should carefully examine the applicable prospectus supplement regarding the U.S. federal income tax consequences of the holding and disposition of any debt securities providing for contingent payments.

You may elect to treat all interest on any debt security as OID and calculate the amount includible in gross income under the constant yield method described above. For purposes of this election, interest includes stated interest, acquisition discount, OID, de minimis OID, market discount, de minimis market discount and unstated interest, as adjusted by any amortizable bond premium or acquisition premium. You should consult with your own tax advisors about this election.

Short-Term Debt Securities

In the case of debt securities having a term of one year or less (short-term debt securities), all payments, including all stated interest, will be included in the stated redemption price at maturity and will not be qualified stated interest. As a result, you will generally be taxed on the discount instead of stated interest. The discount will be equal to the excess of the stated redemption price at maturity over the issue price of a short-term debt security, unless you elect to compute this discount using tax basis instead of issue price. In general, individuals and certain other cash method U.S. holders of short-term debt securities are not required to include accrued discount in their income currently unless they elect to do so, but may be required to include stated interest in income as the income is received. U.S. holders that report income for U.S. federal income tax purposes on the accrual method and certain other U.S. holders are required to accrue discount on short-term debt securities (as ordinary income) on a straight-line basis, unless an election is made to accrue the discount according to a constant yield method based on daily compounding. If you are not required, and do not elect, to include discount in income currently, any gain you realize on the sale, exchange or retirement of a short-term debt security will generally be ordinary income to you to the extent of the discount accrued by you through the date of sale, exchange or retirement. In addition, if you do not elect to currently include accrued discount in income, you may be required to defer deductions for a portion of your interest expense with respect to any

indebtedness attributable to the short-term debt securities.

Market Discount

If you purchase a debt security for an amount that is less than its stated redemption price at maturity (or, in the case of an original issue discount debt security, its adjusted issue price), the amount of the difference will be

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treated as market discount for U.S. federal income tax purposes, unless that difference is less than a specified de minimis amount. Under the market discount rules, you will be required to treat any principal payment on, or any gain on the sale, exchange, retirement or other disposition of, a debt security as ordinary income to the extent of the market discount that you have not previously included in income and are treated as having accrued on the debt security at the time of the payment or disposition.

In addition, you may be required to defer, until the maturity of the debt security or its earlier disposition in a taxable transaction, the deduction of all or a portion of the interest expense on any indebtedness attributable to the debt security. You may elect, on a debt security-by-debt security basis, to deduct the deferred interest expense in a tax year prior to the year of disposition. You should consult your own tax advisors before making this election.

Any market discount will be considered to accrue ratably during the period from the date of acquisition to the maturity date of the debt security, unless you elect to accrue on a constant interest method. You may elect to include market discount in income currently as it accrues, on either a ratable or constant interest method, in which case the rule described above regarding deferral of interest deductions will not apply. An election to accrue market discount on a current basis will apply to all debt instruments acquired with market discount that you acquire on or after the first day of the first taxable year to which the election applies. The election may not be revoked without the consent of the Internal Revenue Service (IRS).

Acquisition Premium, Amortizable Bond Premium

If you purchase an original issue discount debt security for an amount that is greater than its adjusted issue price but equal to or less than the sum of all amounts payable on the debt security after the purchase date other than payments of qualified stated interest, you will be considered to have purchased that debt security at an acquisition premium. Under the acquisition premium rules, the amount of OID that you must include in gross income with respect to the debt security for any taxable year will be reduced by the portion of the acquisition premium properly allocable to that year.

If you purchase a debt security (including an original issue discount debt security) for an amount in excess of the sum of all amounts payable on the debt security after the purchase date other than qualified stated interest, you will be considered to have purchased the debt security at a premium and, if it is an original issue discount debt security, you will not be required to include any OID in income. You generally may elect to amortize the premium over the remaining term of the debt security on a constant yield method as an offset to interest when includible in income under your regular accounting method. Special rules limit the amortization of premium in the case of convertible debt instruments. If you do not elect to amortize bond premium, that premium will decrease the gain or increase the loss you would otherwise recognize on retirement or other disposition of the debt security.

Sale, Exchange, Retirement or other Disposition of Debt Securities

Upon the sale, exchange, retirement or other taxable disposition of a debt security, you will recognize gain or loss equal to the difference between the amount you realize upon the sale, exchange, retirement or other taxable disposition (less an amount equal to any accrued but unpaid qualified stated interest, which will be taxable as interest income to the extent not previously included in income) and your adjusted tax basis in the debt security. Your adjusted tax basis in a debt security will generally be your cost for that debt security, increased by OID, market discount or any discount with respect to a short-term debt security that you previously included in income, and reduced by any amortized premium and any cash payments on the debt security other than qualified stated interest. Except as described above with respect to certain short-term debt securities or market discount, or with respect to gain or loss attributable to changes in exchange rates as discussed below with respect to foreign currency debt securities, any gain or loss you

recognize will generally be capital gain or loss and will generally be long-term capital gain or loss if you have held the debt security for more than one year. Long-term capital

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gains of non-corporate U.S. holders (including individuals) are eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations.

Foreign Currency Debt Securities

Payments of Interest. If you receive interest payments made in a foreign currency and you use the cash basis method of accounting for U.S. federal income tax purposes, you will be required to include in income the U.S. dollar value of the amount received, determined by translating the foreign currency received at the spot rate of exchange (the spot rate) in effect on the date such payment is received regardless of whether the payment is in fact converted into U.S. dollars. You will not recognize exchange gain or loss with respect to the receipt of such payment.

If you use the accrual method of accounting for U.S. federal income tax purposes, you may determine the amount of income recognized with respect to such interest in accordance with either of two methods. Under the first method, you will be required to include in income for each taxable year the U.S. dollar value of the interest that has accrued during such year, determined by translating such interest at the average rate of exchange for the period or periods (or portions thereof) in such year during which such interest accrued. Under the second method, you may elect to translate interest income at the spot rate on the last day of the accrual period (or the last day of the taxable year if the accrual period straddles your taxable year) or the date the interest payment is received if such date is within five business days of the end of the accrual period.

In addition, if you use the accrual method of accounting, upon receipt of an interest payment on a debt security (including, upon the sale or other taxable disposition of a debt security, the receipt of proceeds which include amounts attributable to accrued interest previously included in income), you will recognize exchange gain or loss in an amount equal to the difference between the U.S. dollar value of such payment (determined by translating the foreign currency received at the spot rate for such foreign currency on the date such payment is received) and the U.S. dollar value of the interest income you previously included in income with respect to such payment. Any such exchange gain or loss will generally be treated as U.S. source ordinary income or loss.

Original Issue Discount. OID on a debt security that is also a foreign currency debt security will be determined for any accrual period in the applicable foreign currency and then translated into U.S. dollars, in the same manner as interest income accrued by a holder on the accrual basis, as described above. You will recognize exchange gain or loss when OID is paid (including, upon the sale or other taxable disposition of a debt security, the receipt of proceeds that include amounts attributable to OID previously included in income) to the extent of the difference between the U.S. dollar value of such payment (determined by translating the foreign currency received at the spot rate for such foreign currency on the date such payment is received) and the U.S. dollar value of the accrued OID (determined in the same manner as for accrued interest). For these purposes, all receipts on a debt security will be viewed:

first, as the receipt of any stated interest payments called for under the terms of the debt security,

second, as receipts of previously accrued OID (to the extent thereof), with payments considered made for the earliest accrual periods first, and

third, as the receipt of principal.

Market Discount and Bond Premium. The amount of market discount includible in income with respect to a foreign currency debt security will generally be determined by translating the market discount (determined in the foreign currency) into U.S. dollars at the spot rate on the date the foreign currency debt security is retired or otherwise disposed of. If you have elected to accrue market discount currently, then the amount which accrues is determined in the foreign currency and then translated into U.S. dollars on the basis of the average exchange rate in effect during the accrual period. You will recognize exchange gain or loss with respect to market discount which is accrued currently using the approach applicable to the accrual of interest income as described above.

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Bond premium on a foreign currency debt security will be computed in the applicable foreign currency. If you have elected to amortize the premium, the amortizable bond premium will reduce interest income in the applicable foreign currency. At the time bond premium is amortized, exchange gain or loss will be realized with respect to such amortized premium based on the difference between spot rates at such time and the time of acquisition of the foreign currency debt security.

Sale, Exchange, Retirement or other Disposition of Foreign Currency Debt Securities. Upon the sale, exchange, retirement or other taxable disposition of a foreign currency debt security, you will recognize gain or loss equal to the difference between the amount realized upon the sale, exchange, retirement or other taxable disposition (less an amount equal to any accrued but unpaid qualified stated interest, which will be treated as a payment of interest for U.S. federal income tax purposes) and your adjusted tax basis in the foreign currency debt security. Your initial tax basis in a foreign currency debt security will generally be your U.S. dollar cost. If you purchased a foreign currency debt security with foreign currency, your U.S. dollar cost will generally be the U.S. dollar value of the foreign currency amount paid for such foreign currency debt security, determined by translating the foreign currency at the spot rate at the time of such purchase. If your foreign currency debt security is sold, exchanged, retired or otherwise disposed of for an amount denominated in foreign currency, then your amount realized generally will be based on the spot rate of the foreign currency on the date of the sale, exchange, retirement or other disposition. If, however, you are a cash method taxpayer and the foreign currency debt securities are traded on an established securities market for U.S. federal income tax purposes, foreign currency paid or received will be translated into U.S. dollars at the spot rate on the settlement date of the purchase or sale. An accrual method taxpayer may elect the same treatment with respect to the purchase and sale of foreign currency debt securities traded on an established securities market, provided that the election is applied consistently.

Except as described above with respect to certain short-term debt securities or market discount, and subject to the foreign currency rules discussed below, any gain or loss recognized upon the sale, exchange, retirement or other taxable disposition of a foreign currency debt security will generally be capital gain or loss and will generally be long-term capital gain or loss if you have held the foreign currency debt security for more than one year. Long-term capital gains of non-corporate U.S. holders (including individuals) are eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations. Gain or loss realized by you on the sale, exchange, retirement or other disposition of a foreign currency debt security will generally be treated as U.S. source gain or loss.

A portion of your gain or loss with respect to the principal amount of a foreign currency debt security may be treated as exchange gain or loss. Exchange gain or loss will generally be treated as U.S. source ordinary income or loss. For these purposes, the principal amount of the foreign currency debt security is your purchase price for the foreign currency debt security calculated in the foreign currency on the date of purchase, and the amount of exchange gain or loss recognized is equal to the difference between (i) the U.S. dollar value of the principal amount determined at the spot rate on the date of the sale, exchange, retirement or other taxable disposition of the foreign currency debt security and (ii) the U.S. dollar value of the principal amount determined at the spot rate on the date you purchased the foreign currency debt security (or, possibly, in the case of cash basis or electing accrual basis taxpayers, the settlement dates of such purchase and taxable disposition, if the foreign currency debt security is treated as traded on an established securities market for U.S. federal income tax purposes). The amount of exchange gain or loss realized on the disposition of the foreign currency debt security (with respect to both principal and accrued interest) will be limited to the amount of overall gain or loss realized on the disposition of the foreign currency debt security.

Exchange Gain or Loss with Respect to Foreign Currency. Your tax basis in any foreign currency received as interest on a foreign currency debt security or on the sale, exchange, retirement or other taxable disposition of a foreign currency debt security will be the U.S. dollar value thereof at the spot rate in effect on the date the foreign currency is received. Any gain or loss recognized by you on a sale, exchange or other disposition of the foreign currency will

generally be treated as U.S. source ordinary income or loss.

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Dual Currency Debt Securities. If so specified in an applicable pricing supplement relating to a foreign currency debt security, we may have the option to make all payments of principal and interest scheduled after the exercise of such option in a currency other than the specified currency. Applicable U.S. Treasury regulations generally (i) apply the principles contained in the regulations governing contingent debt instruments to dual currency debt securities in the predominant currency of the dual currency debt securities and (ii) apply the rules discussed above with respect to foreign currency debt securities with OID for the translation of interest and principal into U.S. dollars. If you are considering the purchase of dual currency debt securities, you should carefully examine the applicable pricing supplement and should consult your own tax advisors regarding the U.S. federal income tax consequences of the holding and disposition of such debt securities.

Reportable Transactions. Treasury regulations issued under the Code meant to require the reporting of certain tax shelter transactions could be interpreted to cover transactions generally not regarded as tax shelters, including certain foreign currency transactions. Under the Treasury regulations, certain transactions are required to be reported to the IRS, including, in certain circumstances, a sale, exchange, retirement or other taxable disposition of a foreign currency debt security or foreign currency received in respect of a foreign currency debt security to the extent that such sale, exchange, retirement or other taxable disposition results in a tax loss in excess of a threshold amount. If you are considering the purchase of a foreign currency debt security, you should consult with your own tax advisors to determine the tax return obligations, if any, with respect to an investment in the debt securities, including any requirement to file IRS Form 8886 (Reportable Transaction Disclosure Statement).

Consequences to Non-U.S. Holders

The following is a summary of the material U.S. federal income and estate tax consequences that will apply to you if you are a non-U.S. holder of debt securities.

U.S. Federal Withholding Tax

Subject to the discussions of backup withholding and FATCA below, U.S. federal withholding tax will not apply to any payment of interest on the debt securities (including OID) under the portfolio interest rule, provided that:

- interest paid on the debt securities is not effectively connected with your conduct of a trade or business in the United States;
- you do not actually (or constructively) own 10% or more of the total combined voting power of all classes of our voting stock within the meaning of the Code and applicable U.S. Treasury regulations;
- you are not a controlled foreign corporation that is related to us through stock ownership;
- you are not a bank whose receipt of interest on the debt securities is described in Section 881(c)(3)(A) of the Code;

the interest is not considered contingent interest under Section 871(h)(4)(A) of the Code and the U.S. Treasury regulations; and

either (a) you provide your name and address on an applicable IRS Form W-8, and certify, under penalties of perjury, that you are not a United States person as defined under the Code or (b) you hold your debt securities through certain foreign intermediaries and satisfy the certification requirements of applicable U.S. Treasury regulations. Special certification rules apply to non-U.S. holders that are pass-through entities rather than corporations or individuals.

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If you cannot satisfy the requirements described above, payments of interest, including OID, made to you will be subject to a 30% U.S. federal withholding tax, unless you provide the applicable withholding agent with a properly executed:

- IRS Form W-8BEN or Form W-8BEN-E (or other applicable form) claiming an exemption from or reduction in withholding under the benefit of an applicable income tax treaty or
- IRS Form W-8ECI (or other applicable form) stating that interest paid on the debt securities is not subject to withholding tax because it is effectively connected with your conduct of a trade or business in the United States (as discussed below under U.S. Federal Income Tax).

The 30% U.S. federal withholding tax generally will not apply to any payment of principal or gain that you realize on the sale, exchange, retirement or other taxable disposition of a debt security.

U.S. Federal Income Tax

If you are engaged in a trade or business in the United States and interest, including OID, on the debt securities is effectively connected with the conduct of that trade or business (and, if required by an applicable income tax treaty, is attributable to a U.S. permanent establishment), then you will be subject to U.S. federal income tax on that interest on a net income basis in the same manner as if you were a United States person as defined under the Code. In addition, if you are a foreign corporation, you may be subject to a branch profits tax equal to 30% (or lower applicable income tax treaty rate) of your effectively connected earnings and profits, subject to adjustments. Any effectively connected interest will be exempt from the 30% U.S. federal withholding tax, provided the certification requirements discussed above in U.S. Federal Withholding Tax are satisfied.

Subject to the discussions of backup withholding and FATCA below, any gain realized on the sale, exchange, retirement or other taxable disposition of a debt security generally will not be subject to U.S. federal income tax unless:

- the gain is effectively connected with your conduct of a trade or business in the United States (and, if required by an applicable income tax treaty, is attributable to a U.S. permanent establishment), in which case such gain will generally be subject to U.S. federal income tax (and possibly branch profits tax) in the same manner as effectively connected interest as described above; or
- you are an individual who is present in the United States for 183 days or more in the taxable year of that disposition and certain other conditions are met, in which case, unless an applicable income tax treaty provides otherwise, you will generally be subject to a 30% U.S. federal income tax on any gain recognized, which may be offset by certain U.S. source losses.

U.S. Federal Estate Tax

If you are an individual and are not a U.S. citizen or a resident of the United States (as specifically defined for U.S. federal estate tax purposes), your estate will not be subject to U.S. federal estate tax on debt securities beneficially owned by you at the time of your death, provided that any payment to you of interest on the debt securities (including

OID), if received at such time, would be eligible for exemption from the 30% U.S. federal withholding tax under the portfolio interest rule described above under U.S. Federal Withholding Tax, without regard to the statement requirement described in the sixth bullet point of that section.

Information Reporting and Backup Withholding

U.S. Holders

In general, information reporting requirements will apply to payments of interest (including OID) and principal on a debt security and the proceeds from the sale or other disposition of a debt security paid to you,

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unless you are an exempt recipient. A backup withholding tax may apply to such payments if you fail to provide a taxpayer identification number or a certification of exempt status, or if you fail to report in full dividend and interest income.

Backup withholding is not an additional tax and any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against your U.S. federal income tax liability provided the required information is timely furnished to the IRS.

Non-U.S. Holders

Interest (including OID) paid to you and the amount of tax, if any, withheld with respect to those payments generally will be reported to the IRS. Copies of the information returns reporting such interest payments and any withholding may also be made available to the tax authorities in the country in which you reside under the provisions of an applicable income tax treaty.

In general, you will not be subject to backup withholding with respect to payments on the debt securities that we make to you provided that the applicable withholding agent does not have actual knowledge or reason to know that you are a United States person as defined under the Code, and such withholding agent has received from you the statement described above in the sixth bullet point under Consequences to Non-U.S. Holders U.S. Federal Withholding Tax.

Information reporting and, depending on the circumstances, backup withholding will apply to the proceeds of a sale of debt securities made within the U.S. or conducted through certain U.S.-related financial intermediaries, unless you certify under penalties of perjury that you are a non-U.S. Holder (and the payor does not have actual knowledge or reason to know that you are a United States person as defined under the Code), or you otherwise establish an exemption.

Backup withholding is not an additional tax and any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against your U.S. federal income tax liability provided the required information is timely furnished to the IRS.

Additional Withholding Requirements

Under Sections 1471 through 1474 of the Code (such Sections commonly referred to as FATCA), a 30% U.S. federal withholding tax may apply to any interest income paid on the debt securities and, for a disposition of a debt security occurring after December 31, 2018, the gross proceeds from such disposition, in each case paid to (i) a foreign financial institution (as specifically defined in the Code) which does not provide sufficient documentation, typically on IRS Form W-8BEN-E, evidencing either (x) an exemption from FATCA, or (y) its compliance (or deemed compliance) with FATCA (which may alternatively be in the form of compliance with an intergovernmental agreement with the U.S.) in a manner which avoids withholding, or (ii) a non-financial foreign entity (as specifically defined in the Code) which does not provide sufficient documentation, typically on IRS Form W-8BEN-E, evidencing either (x) an exemption from FATCA, or (y) adequate information regarding certain substantial U.S. beneficial owners of such entity (if any). If an interest payment is both subject to withholding under FATCA and subject to the withholding tax discussed above under Consequences to Non-U.S. Holders U.S. Federal Withholding Tax, the withholding under FATCA may be credited against, and therefore reduce, such other withholding tax. You should consult your own tax advisors regarding these rules and whether they may be relevant to your ownership and disposition of the debt securities.

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Common and Preferred Stock

Consequences to U.S. Holders

The U.S. federal income tax consequences of the purchase, ownership or disposition of our stock depend on a number of factors including:

the terms of the stock;

any put or call option or redemption provisions with respect to the stock;

any conversion or exchange feature with respect to the stock; and

the price at which the stock is sold.

U.S. Holders should carefully examine the applicable prospectus supplement regarding the material U.S. federal income tax consequences, if any, of the holding and disposition of our stock.

Consequences to Non-U.S. Holders

Dividends

In the event that we make a distribution of cash or other property (other than certain pro rata distributions of our stock) in respect of our common or preferred stock, the distribution generally will be treated as a dividend for U.S. federal income tax purposes to the extent it is paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Any portion of a distribution that exceeds our current and accumulated earnings and profits generally will be treated first as a tax-free return of capital, causing a reduction in the adjusted tax basis of a non-U.S. holder s common or preferred stock, and to the extent the amount of the distribution exceeds a non-U.S. holder s adjusted tax basis in our common or preferred stock, the excess will be treated as gain from the disposition of our common or preferred stock (the tax treatment of which is discussed below under Gain on Disposition of Common Stock and Preferred Stock).

Dividends paid to a non-U.S. holder of our common or preferred stock generally will be subject to withholding of U.S. federal income tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty. However, dividends that are effectively connected with the conduct of a trade or business by the non-U.S. holder within the United States (and, if required by an applicable income tax treaty, are attributable to a U.S. permanent establishment) are not subject to withholding, provided certain certification and disclosure requirements are satisfied. Instead, such dividends are subject to U.S. federal income tax on a net income basis in the same manner as if the non-U.S. holder were a United States person as defined under the Code. Any such effectively connected dividends received by a foreign corporation may be subject to an additional branch profits tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty.

A non-U.S. holder of our common or preferred stock who wishes to claim the benefit of an applicable treaty rate and avoid backup withholding, as discussed below, for dividends will be required (a) to provide the applicable

withholding agent with a properly executed IRS Form W-8BEN or W-8BEN-E (or other applicable form) certifying under penalty of perjury that such holder is not a United States person as defined under the Code and is eligible for treaty benefits or (b) if our common or preferred stock is held through certain foreign intermediaries, to satisfy the relevant certification requirements of applicable U.S. Treasury regulations. Special certification and other requirements apply to certain non-U.S. holders that are pass-through entities rather than corporations or individuals.

A non-U.S. holder of our common or preferred stock eligible for a reduced rate of U.S. withholding tax pursuant to an income tax treaty may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS.

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Gain on Disposition of Common Stock and Preferred Stock

Subject to the discussion of backup withholding and FATCA below, any gain realized on the sale or other disposition of our common or preferred stock generally will not be subject to U.S. federal income tax unless:

- the gain is effectively connected with a trade or business of the non-U.S. holder in the United States (and, if required by an applicable income tax treaty, is attributable to a U.S. permanent establishment of the non-U.S. holder);
- the non-U.S. holder is an individual who is present in the United States for 183 days or more in the taxable year of that disposition, and certain other conditions are met; or
- we are or have been a United States real property holding corporation for U.S. federal income tax purposes and certain other conditions are met.

A non-U.S. holder described in the first bullet point immediately above will be subject to tax on the net gain derived from the sale or other disposition in the same manner as if such holder were a United States person as defined under the Code. In addition, if a non-U.S. holder described in the first bullet point immediately above is a foreign corporation for U.S. federal income tax purposes, the gain realized by such non-U.S. holder may be subject to an additional branch profits tax equal to 30% of its effectively connected earnings and profits or at such lower rate as may be specified by an applicable income tax treaty.

An individual non-U.S. holder described in the second bullet point immediately above will be subject to a flat 30% (or such lower rate as may be specified by an applicable income tax treaty) tax on the gain derived from the sale or other disposition, which gain may be offset by U.S. source capital losses, even though the individual is not considered a resident of the United States.

We believe we are not and do not anticipate becoming a United States real property holding corporation for U.S. federal income tax purposes. If we are or become a United States real property holding corporation, so long as our common or preferred stock continues to be regularly traded on an established securities market, a non-U.S. holder who holds or held directly, indirectly or constructively (at any time during the shorter of the five year period preceding the date of disposition or the holder s holding period) more than 5% of our common or preferred stock will be subject to U.S. federal income tax on the disposition of our common or preferred stock in the same manner as gain that is effectively connected with a trade or business of the non-U.S. holder in the United States, except that the branch profits tax generally will not apply.

Federal Estate Tax

Common or preferred stock held by an individual non-U.S. holder at the time of death will be included in such holder s gross estate for U.S. federal estate tax purposes, unless an applicable estate tax treaty provides otherwise.

Information Reporting and Backup Withholding

We must report annually to the IRS and to each non-U.S. holder the amount of dividends paid to such holder and the tax withheld with respect to such dividends, regardless of whether withholding was required. Copies of the

information returns reporting such dividends and withholding may also be made available to the tax authorities in other countries under the provisions of an applicable income tax treaty.

A non-U.S. holder will be subject to backup withholding for dividends paid to such holder unless such holder certifies under penalty of perjury that it is a non-U.S. holder (and the payor does not have actual knowledge or reason to know that such holder is a United States person as defined under the Code), or such holder otherwise establishes an exemption.

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Information reporting and, depending on the circumstances, backup withholding will apply to the proceeds of a sale or other disposition of our common or preferred stock within the United States or conducted through certain U.S.-related financial intermediaries, unless the beneficial owner certifies under penalty of perjury that it is a non-U.S. holder (and the payor does not have actual knowledge or reason to know that the beneficial owner is a United States person as defined under the Code), or such owner otherwise establishes an exemption.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a non-U.S. holder s U.S. federal income tax liability provided the required information is timely furnished to the IRS.

Additional Withholding Requirements

Under Sections 1471 through 1474 of the Code (such Sections commonly referred to as FATCA), a 30% U.S. federal withholding tax may apply to any dividends paid on our common stock and, for a disposition of our common stock occurring after December 31, 2018, the gross proceeds from such disposition, in each case paid to (i) a foreign financial institution (as specifically defined in the Code) which does not provide sufficient documentation, typically on IRS Form W-8BEN-E, evidencing either (x) an exemption from FATCA, or (y) its compliance (or deemed compliance) with FATCA (which may alternatively be in the form of compliance with an intergovernmental agreement with the United States) in a manner which avoids withholding, or (ii) a non-financial foreign entity (as specifically defined in the Code) which does not provide sufficient documentation, typically on IRS Form W-8BEN-E, evidencing either (x) an exemption from FATCA, or (y) adequate information regarding certain substantial U.S. beneficial owners of such entity (if any). If a dividend payment is both subject to withholding under FATCA and subject to the withholding tax discussed above under Dividends, the withholding under FATCA may be credited against, and therefore reduce, such other withholding tax. You should consult your own tax advisors regarding these requirements and whether they may be relevant to your ownership and disposition of our common stock.

Other Securities

If you are considering the purchase of depositary shares, debt warrants, subscription rights, purchase contracts or units, you should carefully examine the applicable prospectus supplement regarding the special U.S. federal income tax consequences, if any, of the holding and disposition of such securities including any tax considerations relating to the specific terms of such securities.

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PLAN OF DISTRIBUTION

General

We and/or the selling securityholders, and their pledgees, donees, transferees or other successors in interest, may sell the securities being offered by this prospectus in one or more of the following ways from time to time:

- to or through underwriters or dealers;
- through agents;
- in at the market offerings to or through a market maker or into an existing trading market, or a securities exchange or otherwise;
- directly to purchasers; or
- through a combination of any of these methods of sale or by any other legally available means.

A distribution of the securities offered by this prospectus may also be effected through the issuance of derivative securities, including without limitation, warrants, subscriptions, exchangeable securities, forward delivery contracts and the writing of options. In addition, the manner in which we and/or the selling securityholders may sell some or all of the securities covered by this prospectus includes, without limitation, through:

- a block trade in which a broker-dealer will attempt to sell as agent, but may position or resell a portion of the block, as principal, in order to facilitate the transaction;
- purchases by a broker-dealer, as principal, and resale by the broker-dealer for its account;
- ordinary brokerage transactions and transactions in which a broker solicits purchasers; or
- privately negotiated transactions.

We may also enter into derivative, hedging, forward sale, option or other types of transactions. For example, we may:

- enter into transactions with a broker-dealer or affiliate thereof in connection with which such broker-dealer or affiliate will engage in short sales of, or maintain short positions in, the common stock pursuant to this prospectus, in which case such broker-dealer or affiliate may use shares of common stock received from us

to close out or hedge its short positions;

sell securities short and redeliver such shares to close out or hedge our short positions;

enter into option or other types of transactions that require us to deliver common stock to a broker-dealer or an affiliate thereof, who will then resell or transfer the common stock under this prospectus; or

loan or pledge the common stock to a broker-dealer or an affiliate thereof, who may sell the loaned shares or, in an event of default in the case of a pledge, sell the pledged shares pursuant to this prospectus.

In addition, we may enter into derivative, hedging, forward sale, option or other types of transactions with third parties, or sell securities not covered by this prospectus to third parties, through a stock exchange, including block trades or ordinary broker s transactions, or through broker-dealers acting either as principal or agent, or through an underwritten public offering, through privately negotiated transactions or through a combination of any such methods of sale. In connection with such a transaction, the third parties may sell securities covered by and pursuant to this prospectus and an applicable prospectus supplement or pricing supplement, as the case may be. If so, the third party may use securities borrowed from us or others to settle such sales and may use securities received from us to close out or hedge any related short positions. We may also loan or pledge securities covered

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by this prospectus and an applicable prospectus supplement to third parties, who may sell the loaned securities or, in an event of default in the case of a pledge, sell the pledged securities pursuant to this prospectus and the applicable prospectus supplement or pricing supplement, as the case may be.

If indicated in an applicable prospectus supplement, we may sell shares of our common stock under a direct stock purchase and dividend reinvestment plan. The terms of any such plan will be set forth in the applicable prospectus supplement.

A prospectus supplement with respect to each series of securities will state the terms of the offering of the securities, including:

- the terms of the offering;
- the name or names of any underwriters, dealers or agents and the amounts of securities underwritten or purchased by each of them, if any;
- the public offering price or purchase price of the securities and the net proceeds to be received by us from the sale;
- any delayed delivery arrangements;
- the terms of any subscription rights;
- any initial public offering price;
- any underwriting discounts and commissions or agency fees and other items constituting underwriters or agents compensation;
- any discounts or concessions allowed or reallowed or paid to dealers; and
- any securities exchange on which the securities may be listed.

The offer and sale of the securities described in this prospectus by us and/or the selling securityholders or the underwriters or the third parties described above may be effected from time to time in one or more transactions, including privately negotiated transactions, either:

- at a fixed price or prices, which may be changed;

at market prices prevailing at the time of sale, including in at the market offerings ;

at prices related to the prevailing market prices; or

at negotiated prices.

Selling Securityholders

The selling securityholders, and their pledgees, donees, transferees or other successors in interest, may offer our securities in one or more offerings, and if required by applicable law or in connection with an underwritten offering, pursuant to one or more prospectus supplements, and any such prospectus supplement will set forth the terms of the relevant offering as described above. To the extent our securities offered by a selling securityholder pursuant to a prospectus supplement remain unsold, the selling securityholder may offer those securities on different terms pursuant to another prospectus supplement. Sales by the selling securityholders may not require the provision of a prospectus supplement.

In addition to the foregoing, each of the selling securityholders may offer our securities at various times in one or more of the following transactions: through short sales, derivative and hedging transactions; by pledge to secure debts and other obligations; through offerings of securities exchangeable, convertible or exercisable for our securities; under forward purchase contracts with trusts, investment companies or other entities (which may, in turn, distribute their own securities); through distribution to its members, partners or shareholders; in exchange or over-the-counter market transactions; and/or in private transactions.

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Each of the selling securityholders also may resell all or a portion of our securities that the selling securityholder owns in open market transactions in reliance upon Rule 144 under the Securities Act provided the selling securityholder meets the criteria and conforms to the requirements of Rule 144.

We will not receive any of the proceeds from the sale of securities by selling securityholders.

Underwriting Compensation

Any public offering price and any fees, discounts, commissions, concessions or other items constituting compensation allowed or reallowed or paid to underwriters, dealers, agents or remarketing firms may be changed from time to time. Underwriters, dealers, agents and remarketing firms that participate in the distribution of the offered securities may be underwriters as defined in the Securities Act. Any discounts or commissions they receive from us and/or the selling securityholders and any profits they receive on the resale of the offered securities may be treated as underwriting discounts and commissions under the Securities Act. We will identify any underwriters, agents or dealers and describe their fees, commissions or discounts in the applicable prospectus supplement or pricing supplement, as the case may be.

Underwriters and Agents

If underwriters are used in a sale, they will acquire the offered securities for their own account. The underwriters may resell the offered securities in one or more transactions, including negotiated transactions. We and/or the selling securityholders may offer the securities to the public either through an underwriting syndicate represented by one or more managing underwriters or through one or more underwriter(s). The underwriters in any particular offering will be identified in the applicable prospectus supplement or pricing supplement, as the case may be.

Unless otherwise specified in connection with any particular offering of securities, the obligations of the underwriters to purchase the offered securities will be subject to certain conditions contained in an underwriting agreement that we and/or the selling securityholders will enter into with the underwriters at the time of the sale to them. The underwriters will be obligated to purchase all of the securities of the series offered if any of the securities are purchased, unless otherwise specified in connection with any particular offering of securities. Any initial offering price and any discounts or concessions allowed, reallowed or paid to dealers may be changed from time to time.

We and/or the selling securityholders may designate agents to sell the offered securities. Unless otherwise specified in connection with any particular offering of securities, the agents will agree to use their best efforts to solicit purchases for the period of their appointment. We and/or the selling securityholders may also sell the offered securities to one or more remarketing firms, acting as principals for their own accounts or as agents for us and/or the selling securityholders. These firms will remarket the offered securities upon purchasing them in accordance with a redemption or repayment pursuant to the terms of the offered securities. A prospectus supplement or pricing supplement, as the case may be will identify any remarketing firm and will describe the terms of its agreement, if any, with us and/or the selling securityholders, and its compensation.

In connection with offerings made through underwriters or agents, we and/or the selling securityholders may enter into agreements with such underwriters or agents pursuant to which we receive our outstanding securities in consideration for the securities being offered to the public for cash. In connection with these arrangements, the underwriters or agents may also sell securities covered by this prospectus to hedge their positions in these outstanding securities, including in short sale transactions. If so, the underwriters or agents may use the securities received from us under these arrangements to close out any related open borrowings of securities.

Dealers

We and/or the selling securityholders may sell the offered securities to dealers as principals. We and/or the selling securityholders may negotiate and pay dealers commissions, discounts or concessions for their services.

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The dealer may then resell such securities to the public either at varying prices to be determined by the dealer or at a fixed offering price agreed to with us at the time of resale. Dealers engaged by us may allow other dealers to participate in resales.

Direct Sales

We and/or the selling securityholders may choose to sell the offered securities directly to multiple purchasers or a single purchaser. In this case, no underwriters or agents would be involved.

Subscription Offerings

Direct sales to investors or our stockholders may be accomplished through subscription offerings or through stockholder subscription rights distributed to stockholders. In connection with subscription offerings or the distribution of stockholder subscription rights to stockholders, if all of the underlying securities are not subscribed for, we may sell any unsubscribed securities to third parties directly or through underwriters or agents. In addition, whether or not all of the underlying securities are subscribed for, we may concurrently offer additional securities to third parties directly or through underwriters or agents. If securities are to be sold through stockholder subscription rights, the stockholder subscription rights will be distributed as a dividend to the stockholders for which they will pay no separate consideration. The prospectus supplement with respect to the offer of securities under stockholder purchase rights will set forth the relevant terms of the stockholder subscription rights, including:

- whether common stock, preferred stock, depositary shares or warrants for those securities will be offered under the stockholder subscription rights;
- the number of those securities or warrants that will be offered under the stockholder subscription rights;
- the period during which and the price at which the stockholder subscription rights will be exercisable;
- the number of stockholder subscription rights then outstanding;
- any provisions for changes to or adjustments in the exercise price of the stockholder subscription rights; and
- any other material terms of the stockholder subscription rights.

Indemnification; Other Relationships

We and/or the selling securityholders may agree to indemnify underwriters, dealers, agents and remarketing firms against certain civil liabilities, including liabilities under the Securities Act and to make contribution to them in connection with those liabilities. Underwriters, dealers, agents and remarketing firms, and their affiliates, may engage in transactions with, or perform services for us, and our affiliates, in the ordinary course of business, including commercial banking transactions and services.

Market Making, Stabilization and Other Transactions

Each series of securities will be a new issue of securities and will have no established trading market, other than our common stock, which is listed on the NYSE. Any shares of our common stock sold pursuant to a prospectus supplement will be listed on the NYSE, subject to official notice of issuance. Any underwriters to whom we and/or the selling securityholders sell securities for public offering and sale may make a market in the securities, but such underwriters will not be obligated to do so and may discontinue any market making at any time without notice. The securities, other than the common stock, may or may not be listed on a national securities exchange, and any such listing if pursued will be described in the applicable prospectus supplement.

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To facilitate the offering of the securities, certain persons participating in the offering may engage in transactions that stabilize, maintain, or otherwise affect the price of the securities. This may include over-allotments or short sales of the securities, which involves the sale by persons participating in the offering of more securities than we sold to them. In these circumstances, these persons would cover the over-allotments or short positions by making purchases in the open market or by exercising their over-allotment option. In addition, these persons may stabilize or maintain the price of the debt securities by bidding for or purchasing debt securities in the open market or by imposing penalty bids, whereby selling concessions allowed to dealers participating in the offering may be reclaimed if securities sold by them are repurchased in connection with stabilization transactions. The effect of these transactions may be to stabilize or maintain the market price of the securities at a level above that which might otherwise prevail in the open market. These transactions may be discontinued at any time.

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LEGAL MATTERS

Unless otherwise indicated in the applicable prospectus supplement, certain legal matters will be passed upon for us by Simpson Thacher & Bartlett LLP, New York, New York. An investment vehicle comprised of several partners of Simpson Thacher & Bartlett LLP, members of their families, related persons and others own interest representing less than 1% of the capital commitments of funds affiliated with Blackstone. If the validity of any securities is also passed upon by counsel for the underwriters, dealers or agents of an offering of those securities, that counsel will be named in the applicable prospectus supplement.

EXPERTS

Ernst & Young LLP, independent registered public accounting firm, has audited our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2017, and the effectiveness of our internal control over financial reporting as of December 31, 2017, as set forth in their reports, which are incorporated by reference in this prospectus and elsewhere in the registration statement. Our financial statements are incorporated by reference in reliance on Ernst & Young LLP s reports, given on their authority as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-3 under the Securities Act with respect to the securities being offered by this prospectus. This prospectus, and any document incorporated by reference into this prospectus, filed as part of the registration statement, does not contain all of the information set forth in the registration statement and its exhibits and schedules, portions of which have been omitted as permitted by the rules and regulations of the SEC. For further information about us and our securities, we refer you to the registration statement and to its exhibits. Statements in this prospectus about the contents of any contract, agreement or other document are not necessarily complete, and in each instance we refer you to the copy of such contract, agreement or document filed as an exhibit to the registration statement, with each such statement being qualified in all respects by reference to the document to which it refers. Anyone may inspect the registration statement and its exhibits and schedules without charge at the public reference facilities the SEC maintains at 100 F Street, N.E., Washington, D.C. 20549. You may obtain copies of all or any part of these materials from the SEC upon the payment of certain fees prescribed by the SEC. You may obtain further information about the operation of the SEC s Public Reference Room by calling the SEC at 1-800-SEC-0330. You may also inspect these reports and other information without charge at a website maintained by the SEC. The address of this site is *http://www.sec.gov.*

We are subject to the informational requirements of the Exchange Act, and we are required to file annual, quarterly and current reports, proxy statements and other information with the SEC. You may inspect and copy these reports, proxy statements and other information at the public reference facilities maintained by the SEC at the address noted above. You may also obtain copies of this material from the Public Reference Room of the SEC as described above, or inspect them without charge at the SEC s website. We also make available to our common stockholders annual reports containing consolidated financial statements audited by an independent registered public accounting firm.

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INFORMATION INCORPORATED BY REFERENCE

The SEC s rules allow us to incorporate by reference information into this prospectus. This means that we can disclose important information to you by referring you to another document. The information incorporated by reference is considered to be a part of this prospectus. This prospectus incorporates by reference the documents listed below (File No. 001-36243):

- our Annual Report on Form 10-K for the year ended December 31, 2017;
- our Definitive Proxy Statement on Schedule 14A, filed on April 13, 2017 (solely those portions that were incorporated by reference into Part III of our Annual Report on Form 10-K for the year ended December 31, 2016);
- the description of our common stock contained in our Registration Statement on Form 8-A filed on December 12, 2013, including all amendments and reports filed for the purpose of updating such description; and
- all other documents filed by us under sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this prospectus and before the termination of the offerings to which this prospectus relates (other than documents and information furnished and not filed in accordance with SEC rules, unless expressly stated otherwise therein).

Any statement made in this prospectus or in a document incorporated by reference into this prospectus will be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained in this prospectus modifies or supersedes that statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

You can obtain any of the filings incorporated by reference into this prospectus through us or from the SEC through the SEC s website at *http://www.sec.gov*. We will provide, without charge, to each person, including any beneficial owner, to whom a copy of this prospectus is delivered, upon written or oral request of such person, a copy of any or all of the reports and documents referred to above which have been or may be incorporated by reference into this prospectus. You should direct requests for those documents to:

Hilton Worldwide Holdings Inc.

7930 Jones Branch Drive, Suite 1100

McLean, Virginia 22102

Attn: Investor Relations

Tel.: (703) 883-5476

Email: ir@hilton.com

Our reports and documents incorporated by reference herein may also be found in the Investors section of our website at *http://ir.hilton.com*. Our website and the information contained in it or connected to it shall not be deemed to be incorporated into this prospectus or any registration statement of which it forms a part.

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PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 14. Other Expenses of Issuance and Distribution.

Set forth below are the fees and expenses, other than underwriting discounts and commissions, to be incurred by us in connection with the issuance and distribution of the securities being registered. All amounts set forth below are estimated.

SEC Registration Fee	$ *
Legal Fees and Expenses	**
Printing and Engraving Expenses	**
Trustees , Registrars and Transfer Agents , and Depositories Fees and Expenses	**
Accounting Fees and Expenses	**
Miscellaneous	**
Total	$ **

* Pursuant to Rules 456(b) and 457(r) under the Securities Act, the registrant is deferring payment of the registration fee relating to the securities that are registered and available for sale under this registration statement, except for $1,247,331 of filing fees previously paid with respect to 370,022,363 shares of common stock that had previously been registered under the registrant s Registration Statement on Form S-3 (Registration No. 333-2204038) but not sold and are being carried forward to this registration statement.

** These fees and expenses are calculated based on the securities offered and the number of issuances and accordingly, cannot be estimated at this time. An estimate of the aggregate amount of these fees and expenses will be reflected in the applicable prospectus supplement.

Item 15. Indemnification of Directors and Officers.

Section 102(b)(7) of the Delaware General Corporation Law, or DGCL, allows a corporation to provide in its certificate of incorporation that a director of the corporation will not be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except where the director breached the duty of loyalty, failed to act in good faith, engaged in intentional misconduct or knowingly violated a law, authorized the payment of a dividend or approved a stock repurchase in violation of Delaware corporate law or obtained an improper personal benefit. Our amended and restated certificate of incorporation will provide for this limitation of liability.

Section 145 of the DGCL, or Section 145, provides, among other things, that a Delaware corporation may indemnify any person who was, is or is threatened to be made, party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of such corporation), by reason of the fact that such person is or was an officer, director, employee or agent of such

corporation or is or was serving at the request of such corporation as a director, officer, employee or agent of another corporation or enterprise. The indemnity may include expenses (including attorneys fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding, provided such person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the corporation s best interests and, with respect to any criminal action or proceeding, had no reasonable cause to believe that his or her conduct was illegal. A Delaware corporation may indemnify any persons who were or are a party to any threatened, pending or completed action or suit by or in the right of the corporation by reason of the fact that such person is or was a director, officer, employee or agent of another corporation or enterprise. The indemnity may include expenses (including attorneys fees) actually and reasonably incurred by such person in connection with the defense or settlement of

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such action or suit, provided such person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the corporation s best interests, provided further that no indemnification is permitted without judicial approval if the officer, director, employee or agent is adjudged to be liable to the corporation. Where an officer or director is successful on the merits or otherwise in the defense of any action referred to above, the corporation must indemnify him or her against the expenses which such officer or director has actually and reasonably incurred.

Section 145 further authorizes a corporation to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation or enterprise, against any liability asserted against such person and incurred by such person in any such capacity, or arising out of his or her status as such, whether or not the corporation would otherwise have the power to indemnify him or her under Section 145.

Our amended and restated by-laws provide that we must indemnify our directors and officers to the fullest extent authorized by the DGCL and must also pay expenses incurred in defending any such proceeding in advance of its final disposition upon delivery of an undertaking, by or on behalf of an indemnified person, to repay all amounts so advanced if it should be determined ultimately that such person is not entitled to be indemnified under our amended and restated by-laws or otherwise.

The indemnification rights set forth above shall not be exclusive of any other right which an indemnified person may have or hereafter acquire under any statute, provision of our amended and restated certificate of incorporation, our amended and restated by-laws, agreement, vote of stockholders or disinterested directors or otherwise.

We maintain standard policies of insurance that provide coverage (i) to our directors and officers against losses arising from claims made by reason of breach of duty or other wrongful act and (ii) to us with respect to indemnification payments that we may make to such directors and officers.

We are party to indemnification agreements with our directors and executive officers. These agreements require us to indemnify these individuals to the fullest extent permitted under Delaware law against liabilities that may arise by reason of their service to us, and to advance expenses incurred as a result of any proceeding against them as to which they could be indemnified. Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors or executive officers, we have been informed that, in the opinion of the Securities and Exchange Commission, such indemnification is against public policy and is therefore unenforceable.

Item 16. Exhibits.

The Exhibit Index appearing before the signature pages below is incorporated herein by reference.

Item 17. Undertakings.

(a) The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set

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forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the SEC pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the Calculation of Registration Fee table in the effective registration statement; and

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

Provided, *however*, that paragraphs (a)(1)(i), (a)(1)(ii) and (a)(1)(iii) of this section do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in reports filed with or furnished to the SEC by the registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement, or is contained in a form of prospectus filed pursuant to Rule 424(b) that is part of the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) That, for the purpose of determining liability under the Securities Act of 1933 to any purchaser:

(i) If the registrant is relying on Rule 430B,

(A) Each prospectus filed by the registrant pursuant to Rule 424(b)(3) shall be deemed to be part of the registration statement as of the date the filed prospectus was deemed part of and included in the registration statement; and

(B) Each prospectus required to be filed pursuant to Rule 424(b)(2), (b)(5) or (b)(7) as part of a registration statement in reliance on Rule 430B relating to an offering made pursuant to Rule 415(a)(1)(i), (vii), or (x) for the purpose of providing the information required by Section 10(a) of the Securities Act of 1933 shall be deemed to be part of and included in the registration statement as of the earlier of the date such form of prospectus is first used after effectiveness or the date of the first contract of sale of securities in the offering described in the prospectus. As provided in Rule 430B, for liability purposes of the issuer and any person

that is at that date an underwriter, such date shall be deemed to be a new effective date of the registration statement relating to the securities in the registration statement to which that prospectus relates, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof. Provided, however , that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such effective date, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such effective date; or

(ii) If the registrant is subject to Rule 430C, each prospectus filed pursuant to Rule 424(b) as part of a registration statement relating to an offering, other than registration statements relying

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on Rule 430B or other than prospectuses filed in reliance on Rule 430A, shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.

(5) That, for the purpose of determining liability of the registrant under the Securities Act of 1933 to any purchaser in the initial distribution of the securities:

The undersigned registrant undertakes that in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

(i) Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;

(ii) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;

(iii) The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or their securities provided by or on behalf of the undersigned registrant; and

(iv) Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.

(b) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant s annual reports pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, if necessary (and, where applicable, each filing of an employee benefit plan s annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to existing provisions or arrangements whereby the registrant may indemnify a director, officer or controlling person of the registrant against liabilities arising

under the Securities Act, or otherwise, the registrant has been advised that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than for the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

(d) The undersigned registrant hereby undertakes to file an application for the purpose of determining the eligibility of the trustee to act under subsection (a) of Section 310 of the Trust Indenture Act in accordance with the rules and regulations prescribed by the SEC under section 305(b)(2) of the Trust Indenture Act.

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Exhibit Index

Exhibit Number		Exhibit Description
1.1	*	Form of Underwriting Agreement for Common Stock sold by Selling Stockholders.
1.2	*	Other Forms of Underwriting Agreements.
3.1		Certificate of Incorporation of Hilton Worldwide Holdings Inc. (incorporated by reference to Exhibit 3.1 to the Company s Current Report on Form 8-K (File No. 001-36243) filed on December 17, 2013).
3.2		Certificate of Amendment to Certificate of Incorporation of Hilton Worldwide Holdings Inc. effective as of January 3, 2017 (incorporated by reference to Exhibit 3.1 to the Company s Current Report on Form 8-K (File No. 001-36243) filed on January 4, 2017).
3.3		Amended and Restated By-Laws of Hilton Worldwide Holdings Inc. (incorporated by reference to Exhibit 3.1 to the Company s Current Report on Form 8-K (File No. 001-36243) filed on November 17, 2017).
4.1	*	Form of Certificate for Preferred Stock of Hilton Worldwide Holdings Inc.
4.2	*	Form of Indenture between Hilton Worldwide Holdings Inc. and the trustee.
4.3	*	Form of Note issued under the Indenture.
4.4	*	Warrant Agreement and Warrant Certificate.
4.5	*	Deposit Agreement and Deposit Receipt.
4.6	*	Subscription Rights Agreement and Subscription Rights Certificate.
5.1	**	Opinion of Simpson Thacher & Bartlett LLP as to the legality of certain securities being issued.
12.1	**	Statement of computation of ratios of earnings to fixed charges.
23.1	**	Consent of Simpson Thacher & Bartlett LLP (included in Exhibit 5.1).
23.2	**	Consent of Ernst & Young LLP.
24.1	**	Power of Attorney (included in the signature pages of this Registration Statement).
25.1	*	Statement of Eligibility on Form T-1 to act as trustee under the Indenture.

* To be filed, if necessary, by amendment or as an exhibit to a document to be incorporated by reference herein in connection with an offering.

** Filed herewith.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of McLean, State of Virginia, on March 16, 2018.

HILTON WORLDWIDE HOLDINGS INC.

By: /s/ Christopher J. Nassetta
Name: Christopher J. Nassetta
Title: President and Chief Executive Officer

POWER OF ATTORNEY

Each person whose signature appears below authorizes Christopher J. Nassetta, Kevin J. Jacobs and Kristin A. Campbell as his or her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities to execute in the name of each such person who is then an officer or director of Hilton Worldwide Holdings Inc., and to file any amendments (including post effective amendments) to this Registration Statement and to file the same, with all exhibits thereto and other documents in connection therewith, with the SEC, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, or their, his or her substitute may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement and Power of Attorney have been signed by the following persons in the capacities indicated and on the 16th day of March, 2018.

Signature	Title(s)
/s/ Christopher J. Nassetta	President and Chief Executive Officer
Christopher J. Nassetta	(principal executive officer)
/s/ Jonathan D. Gray	Chairman of the Board of Directors
Jonathan D. Gray	
/s/ Charlene T. Begley	Director
Charlene T. Begley	
/s/ Melanie L. Healey	Director

Melanie L. Healey	
/s/ Raymond E. Mabus, Jr.	Director
Raymond E. Mabus, Jr.	
/s/ Judith A. McHale	Director
Judith A. McHale	

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Signature	Title(s)
/s/ John G. Schreiber John G. Schreiber	Director
/s/ Elizabeth A. Smith Elizabeth A. Smith	Director
/s/ Douglas M. Steenland Douglas M. Steenland	Director
/s/ Zhang Ling Zhang Ling	Director
/s/ Kevin J. Jacobs Kevin J. Jacobs	Executive Vice President and Chief Financial Officer (principal financial officer)
/s/ Michael W. Duffy Michael W. Duffy	Senior Vice President and Chief Accounting Officer (principal accounting officer)