

STARWOOD HOTEL & RESORTS WORLDWIDE, INC

Form 425

March 25, 2016

Table of Contents

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d)

of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): March 25, 2016

MARRIOTT INTERNATIONAL, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction)

1-13881
(Commission)

52-2055918
(IRS Employer)

of incorporation)

File Number)

Identification No.)

10400 Fernwood Road, Bethesda, Maryland

20817

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: (301) 380-3000

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Table of Contents

**Item 8.01. Other events
Supplemental Disclosures**

The purpose of this Current Report on Form 8-K (this Form 8-K) is to update and supplement the joint proxy statement/prospectus (the Joint Proxy Statement/Prospectus) (1) included in the Registration Statement on Form S-4, file No. 333-208684, filed by Marriott International, Inc. (Marriott) with the Securities and Exchange Commission (the SEC) and declared effective by the SEC on February 17, 2016, (2) filed by Marriott with the SEC as a prospectus on February 18, 2016, (3) filed by Starwood Hotels & Resorts Worldwide, Inc. (Starwood) with the SEC as a definitive proxy statement on Schedule 14A, file No. 001-07959, on February 18, 2016, and (4) mailed by Marriott and Starwood to their respective stockholders commencing on February 19, 2016. The information contained in this Form 8-K is incorporated by reference into the above-mentioned Joint Proxy Statement/Prospectus. Terms used in this Form 8-K, but not otherwise defined, shall have the meanings ascribed to such terms in the Joint Proxy Statement/Prospectus.

The information contained in this Form 8-K reflects, among other things, the effects of Amendment Number 1, dated as of March 20, 2016 (the amendment) to the Agreement and Plan of Merger, dated as of November 15, 2015 (the original merger agreement), by and among Starwood, Marriott, Solar Merger Sub 1, Inc., a wholly owned direct subsidiary of Starwood (Holdco), Solar Merger Sub 2, Inc., a wholly owned direct subsidiary of Holdco (Starwood Merger Sub), Mars Merger Sub, Inc., a wholly owned direct subsidiary of Marriott (Marriott Corporate Merger Sub), and Mars Merger Sub, LLC, a wholly owned direct subsidiary of Marriott (Marriott LLC Merger Sub). The amendment was filed as Exhibit 2.1 to the Current Reports on Form 8-K filed by each of Starwood and Marriott on March 21, 2016.

Stockholders of Starwood and Marriott are encouraged to read this Form 8-K, as well as each of the amendment and the Joint Proxy Statement/Prospectus in their entirety.

To the extent that information in this Form 8-K differs from or updates information contained in the Joint Proxy Statement/Prospectus, the information in this Form 8-K shall supersede or supplement the information in the Joint Proxy Statement/Prospectus. Accordingly, in this Form 8-K and in the Joint Proxy Statement/Prospectus, unless context otherwise requires:

all references to the merger agreement shall be deemed to refer, where applicable, to the original merger agreement as amended by the amendment;

all references to the exchange ratio shall be deemed to refer to 0.800;

all references to the merger consideration shall be deemed to refer to 0.800 shares of Marriott common stock and \$21.00 in cash, without interest, to be received by Starwood stockholders for each share of Starwood common stock that they own;

all references to the Combination Transactions shall be deemed to refer to the series of business combinations provided for under the original merger agreement as amended by the amendment;

all references to the Original Combination Transactions shall be deemed to refer to the series of business combinations provided for under the original merger agreement;

all references to the Starwood combination transactions proposal shall be deemed to refer to the proposal to approve the transactions contemplated by the original merger agreement as amended by the amendment, under which Starwood stockholders will receive 0.800 shares of Marriott common stock and \$21.00 in cash, without interest, for each share of Starwood common stock that they own immediately before the Combination Transactions.

Table of Contents

This Form 8-K, the exhibits to this Form 8-K and the documents referred to, contained in or incorporated by reference in this Form 8-K should be read in conjunction with the Joint Proxy Statement/Prospectus, the annexes to the Joint Proxy Statement/Prospectus and the documents referred to, contained in or incorporated by reference in the Joint Proxy Statement/Prospectus, each of which should be read in its entirety. Except as otherwise described in this Form 8-K, the exhibits to this Form 8-K or the documents referred to, contained in or incorporated by reference in this Form 8-K, the Joint Proxy Statement/Prospectus, the annexes to the Joint Proxy Statement/Prospectus and the documents referred to, contained in or incorporated by reference in the Joint Proxy Statement/Prospectus are not otherwise modified, supplemented or amended.

This Form 8-K does not affect the validity of any proxy card or voting instructions that Starwood or Marriott stockholders may have previously received or delivered. If a stockholder has already submitted a proxy or voting instructions, he or she will be considered to have voted as specified in that proxy or voting instructions and does not need to take any action, unless he or she wishes to revoke his or her proxy or change his or her voting instructions.

If a stockholder still has the proxy card that was sent along with the Joint Proxy Statement/Prospectus or the duplicate proxy card that has been or will be sent by Starwood or Marriott, such stockholder may cause his or her shares to be voted at Starwood's or Marriott's special meeting, as applicable, by signing that proxy card and returning it by mail or by following the instructions on that proxy card for voting by telephone or Internet.

Table of Contents

TABLE OF CONTENTS

<u>THE MERGER AGREEMENT</u>	4
<u>Amendment Number 1 to the Merger Agreement</u>	4
<u>Vacation Ownership Business Spin-Off</u>	5
<u>STARWOOD SPECIAL MEETING</u>	6
<u>MARRIOTT SPECIAL MEETING</u>	7
<u>THE COMBINATION TRANSACTIONS</u>	8
<u>Background of the Combination Transactions</u>	8
<u>Starwood's Reasons for the Combination Transactions; Recommendation of Starwood's Board</u>	15
<u>Opinions of Starwood's Financial Advisors</u>	18
<u>Certain Starwood Financial Forecasts</u>	34
<u>Marriott's Reasons for the Combination Transactions; Recommendation of Marriott's Board</u>	39
<u>Opinion of Marriott's Financial Advisor Opinion of Deutsche Bank</u>	41
<u>Certain Prospective Financial Information Used by Marriott</u>	50
<u>Interests of Starwood Directors and Executive Officers in the Combination Transactions</u>	54
<u>Regulatory Clearances Required for the Combination Transactions</u>	57
<u>Litigation Relating to the Combination Transactions</u>	57
<u>STARWOOD AND MARRIOTT UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS</u>	58
<u>STARWOOD PROPOSAL NO. 1 APPROVAL OF COMBINATION TRANSACTIONS</u>	72
<u>MARRIOTT PROPOSAL NO. 1 APPROVAL OF ISSUANCE OF MARRIOTT COMMON STOCK</u>	73

Table of Contents

THE MERGER AGREEMENT

The section of the Joint Proxy Statement/Prospectus entitled *The Merger Agreement* is hereby supplemented as follows:

Amendment Number 1 to the Merger Agreement

The following section summarizes material provisions of the amendment, which was filed as Exhibit 2.1 to the Current Reports on Form 8-K filed by each of Starwood and Marriott on March 21, 2016. The rights and obligations of Starwood and Marriott under the original merger agreement and the amendment are governed by the express terms and conditions of the original merger agreement and the amendment and not by this summary or any other information contained in the joint proxy statement/prospectus. Starwood and Marriott stockholders are urged to read the original merger agreement and the amendment carefully and in their entirety as well as the joint proxy statement/prospectus before making any decisions about the Combination Transactions, including the approval of the Starwood combination transactions proposal or the Marriott stock issuance proposal, as applicable.

The amendment is not intended to provide any factual information about Starwood or Marriott. The amendment alters certain representations and warranties made by each of the parties to the merger agreement. These representations and warranties have been made solely for the benefit of the other parties to the merger agreement and:

may not be intended as statements of fact, but rather as a way of allocating the risk between the parties if the statements therein prove to be inaccurate;

have been qualified by certain disclosures that were made between the parties in connection with the negotiation of the amendment and the original merger agreement, which disclosures are not reflected in the amendment or the original merger agreement; and

may apply standards of materiality in a way that is different from what may be viewed as material by you or other investors.

Accordingly, the representations and warranties and other provisions of the amendment and the original merger agreement should not be read alone, but instead should be read together with the information provided elsewhere in the joint proxy statement/prospectus and in the documents incorporated by reference herein and therein.

This summary is qualified in its entirety by reference to the amendment.

Terms of the Combination Transactions; Increased Merger Consideration

The amendment increases the merger consideration payable to stockholders of Starwood. Pursuant to the amendment, stockholders of Starwood will receive, for each share of Starwood common stock held, 0.800 shares of Marriott common stock and \$21.00 in cash, without interest. Prior to entering into the amendment, the merger consideration payable to each stockholder of Starwood for each share of Starwood common stock held was 0.920 shares of Marriott common stock and \$2.00 in cash, without interest.

Expenses and Increased Termination Fee; Expense Reimbursement

The amendment increases the termination fee payable by Starwood to Marriott in connection with the termination of the merger agreement under specified circumstances from \$400 million to \$450 million.

Table of Contents

In addition, in circumstances in which Starwood would be obligated to pay the termination fee to Marriott, Starwood will be obligated to reimburse Marriott for up to \$18 million of Marriott's out-of-pocket documented fees and expenses (including fees and expense reimbursements due under any debt commitment letter or fee letter) that have been paid or may become payable by or on behalf of Marriott in connection with arranging or otherwise obtaining any financing to fund any amounts required to be paid in connection with the Combination Transactions.

Special Meeting Date

The amendment provides that each of Starwood and Marriott will convene its special meeting of stockholders on March 28, 2016 and adjourn such meeting until April 8, 2016.

Efforts to Obtain Required Stockholder Votes

Subject to the ability of each party's board to make an adverse recommendation change, the amendment requires that Starwood and Marriott use their reasonable best efforts to solicit proxies from their stockholders in favor of the Starwood combination transactions proposal and the Marriott stock issuance proposal, as applicable.

Vacation Ownership Business Spin-Off

The section of the Joint Proxy Statement/Prospectus entitled *The Merger Agreement Vacation Ownership Business Spin-Off* is hereby supplemented as follows:

The Vistana-ILG transactions are expected to close on or around April 30, 2016, subject to the satisfaction of certain remaining conditions including, among other things, the approval by ILG stockholders at a special meeting (scheduled for April 20, 2016) of ILG's issuance of stock in connection with the merger of Vistana with a wholly owned subsidiary of ILG.

Table of Contents

STARWOOD SPECIAL MEETING

The section of the Joint Proxy Statement/Prospectus entitled *Starwood Special Meeting* is hereby supplemented as follows:

The Starwood special meeting will be adjourned from March 28, 2016 to April 8, 2016 to allow Starwood stockholders additional time to consider and vote on the Starwood combination transactions proposal and the Starwood advisory compensation proposal. The reconvened Starwood special meeting will be held at the Sheraton Stamford Hotel, 700 East Main Street, Stamford, CT 06901, on April 8, 2016 at 10:00 a.m., local time. The record date for the Starwood special meeting will remain February 2, 2016.

If you vote by Internet or telephone, you need not return a proxy card by mail, but your vote must be received by 11:59 p.m., Eastern Time, on April 7, 2016, or the day preceding the Starwood special meeting if the Starwood special meeting is further adjourned or postponed. You may also change your vote or revoke your proxy by Internet or telephone at any time before 11:59 p.m., Eastern Time, on April 7, 2016. Please note that voting instructions for shares in the Starwood Savings Plan or Starwood's Employee Stock Purchase Plan (Starwood ESPP) must be received by the earlier deadline of 11:59 p.m., Eastern Time, on April 5, 2016.

If you hold shares through the Starwood Savings Plan or the Starwood ESPP, your proxy card or vote by telephone or over the Internet will serve as a voting instruction for the trustee of the Starwood Savings Plan and the transfer agent of the Starwood ESPP. Whether you authorize your vote by proxy card, telephone or over the Internet, you must transmit your vote to the tabulating agent on or before 11:59 p.m., Eastern Time on April 5, 2016. If you participate in the Starwood Savings Plan and your vote is not received by the tabulating agent by that above date or if you sign and return your proxy card without specifying your voting instructions, the trustee for the Starwood Savings Plan will vote your shares in the same proportion as the other shares for which such trustee has received timely voting instructions unless contrary to the Employee Retirement Income Security Act of 1974, as amended. If you participate in the Starwood ESPP and your vote is not received by the tabulating agent of the Starwood ESPP by that above date, or if you sign and return your proxy card without specifying your voting instructions, the transfer agent of the Starwood ESPP will not vote your shares.

Starwood's Board continues to unanimously recommend that Starwood stockholders vote **FOR** the Starwood combination transactions proposal and vote **FOR** the Starwood advisory compensation proposal.

YOUR VOTE IS IMPORTANT. ACCORDINGLY, PLEASE SUBMIT YOUR PROXY PROMPTLY, BY TELEPHONE, INTERNET OR MAIL WHETHER OR NOT YOU PLAN TO ATTEND THE STARWOOD SPECIAL MEETING IN PERSON.

Table of Contents

MARRIOTT SPECIAL MEETING

The section of the Joint Proxy Statement/Prospectus entitled *Marriott Special Meeting* is hereby supplemented as follows:

When the Marriott special meeting is convened on March 28, 2016, Marriott intends to move to adjourn the Marriott special meeting until April 8, 2016 to allow Marriott stockholders additional time to consider and vote on the Marriott stock issuance proposal. If Marriott stockholders approve the adjournment proposal, which requires a majority of votes cast, the Marriott special meeting will be adjourned and will be reconvened on April 8, 2016 at 10:00 a.m., local time, at Marriott's Corporate Headquarters, 10400 Fernwood Road, Bethesda, MD 20817. The record date for the Marriott special meeting will remain February 2, 2016.

If the Marriott special meeting is adjourned until April 8, 2016, the deadline to vote by internet or telephone, or change or revoke your proxy using those methods, will be extended until 11:59 p.m., Eastern Time, on April 7, 2016, or on the day preceding the Marriott special meeting if the Marriott special meeting is further adjourned or postponed.

If you participate in Marriott's Employees Profit Sharing, Retirement and Savings Plan and Trust (the 401(k) Plan), you may give voting instructions as to the number of share equivalents allocated to your account as of the Marriott record date. If the Marriott special meeting is adjourned until April 8, 2016, the trustee will vote your shares in accordance with your duly executed instructions if they are received by 11:59 p.m. Eastern Time, April 3, 2016. If you do not send instructions by this deadline or if you do not vote by proxy, or return your proxy card with an unclear voting designation or no voting designation at all, the trustee will vote the number of shares equal to the share equivalents credited to your account in the same proportion that it votes shares for which it did receive timely instructions, unless contrary to the Employee Retirement Income Security Act of 1974, as amended.

Marriott's Board continues to recommend that Marriott stockholders vote **FOR** the Marriott stock issuance proposal and **FOR** the Marriott adjournment proposal.

YOUR VOTE IS IMPORTANT. ACCORDINGLY, PLEASE SUBMIT YOUR PROXY PROMPTLY, BY TELEPHONE, INTERNET OR MAIL WHETHER OR NOT YOU PLAN TO ATTEND THE MARRIOTT SPECIAL MEETING IN PERSON.

Table of Contents

THE COMBINATION TRANSACTIONS

Background of the Combination Transactions

The section of the Joint Proxy Statement/Prospectus entitled *The Combination Transactions Background of the Combination Transactions* is hereby supplemented as follows:

During the night of March 10, 2016, a representative of Skadden, Arps, Slate, Meagher & Flom LLP (Skadden), the legal advisor for Anbang Insurance Group Co., Ltd., an insurance company headquartered in China (Anbang, referred to as Company F in the joint proxy statement/prospectus), sent Mr. Duncan, Mr. Mangas, Mr. Siegel and a representative of Cravath, via e-mail, an unsolicited, non-binding proposal from a consortium consisting of Anbang, J.C. Flowers & Co. and Primavera Capital Limited (collectively, the Consortium) to acquire all of the outstanding shares of common stock of Starwood for \$76.00 per share in cash.

The Consortium's proposal contemplated that the disposition of Vistana would occur prior to closing, which had not been clear in Anbang's prior indications of interest to acquire Starwood. In addition, the proposal letter stated that the Consortium was confident that any regulatory requirements would be satisfied in a timely fashion, was highly confident in its ability to obtain the approval of the Committee on Foreign Investment in the United States (CFIUS) and would provide adequate assurance of its ability fund the transaction.

In the morning of March 11, 2016, Starwood notified Marriott of its receipt of the Consortium's unsolicited proposal and provided Marriott with a copy of such proposal pursuant to the original merger agreement. Also during the morning of March 11, 2016, the Strategy Committee met, with members of Starwood's management, including Mr. Mangas, Mr. Siegel and Alan Schnaid, Starwood's Chief Financial Officer, and representatives of Citi, Lazard and Cravath participating, to discuss the Consortium's unsolicited proposal.

Later that day, Starwood's Board, which includes Mr. Mangas, met, with members of Starwood's management, including Mr. Siegel and Mr. Schnaid, and representatives of Citi, Lazard and Cravath participating, to discuss the Consortium's unsolicited proposal. Starwood's Board discussed valuation matters and other matters regarding the Consortium's proposal, including issues related to the certainty of funding and closing.

Starwood's Board also discussed the non-solicitation provisions of the original merger agreement and authorized Starwood's management to request a waiver of such provisions from Marriott. A representative of Cravath then sent a representative of Gibson Dunn a waiver request, which was granted by Marriott later that day. Marriott's waiver provided that it would terminate at 11:59 p.m. Eastern Time on March 17, 2016.

On March 11, 2016, after receipt of the waiver, representatives of Citi and Lazard had preliminary discussions with representatives of the Consortium's financial advisor. That evening, a representative of Cravath had a conversation with a representative of Skadden to discuss the Consortium's proposal, including its planned approach to regulatory approvals and financing certainty.

On March 12, 2016, a representative of Cravath sent a representative of Skadden a draft confidentiality agreement to be entered into by the Consortium, which, as permitted by the original merger agreement, did not include explicit or implicit standstill provisions. Later that day, representatives of Cravath and Skadden further discussed the Consortium's proposal.

On March 12, 2016, the Strategy Committee met, with members of Starwood's management, including Mr. Mangas, Mr. Siegel and Mr. Schnaid, and representatives of Citi, Lazard and Cravath

Table of Contents

participating, to further discuss the Consortium's proposal. Representatives of Citi, Lazard and Cravath each provided the Strategy Committee with updates on their respective conversations with the Consortium's advisors. The Strategy Committee then discussed several key issues related to the proposal, including sources of funding, certainty of closing and CFIUS and other regulatory matters.

During the night of March 12, 2016, a representative of Skadden sent representatives of Cravath a draft merger agreement providing for the acquisition of Starwood by a special purpose vehicle to be created by the Consortium. This draft agreement did not contain details regarding funding certainty or regulatory matters, including CFIUS and other required approvals.

On March 13, 2016, Starwood entered into confidentiality agreements with each of the members of the Consortium. Members of Starwood's management then met with members of the Consortium, together with their respective financial and legal advisors, to discuss Starwood's business and operations.

Later on March 13, 2016, Starwood's Board met, with members of Starwood's management, including Mr. Siegel and Mr. Schnaid, and representatives of Citi, Lazard and Cravath participating. The representatives of Citi, Lazard and Cravath updated Starwood's Board on the discussions that had occurred with the Consortium to that point, including the work that the Consortium had done to address funding certainty, regulatory and valuation matters related to the proposal. Cravath also reviewed with Starwood's Board the draft merger agreement that had been provided by Skadden to Cravath.

Also on March 13, 2016, Starwood's virtual data room was opened to the Consortium and its financial and legal advisors.

Prior to the opening of markets in the United States on March 14, 2016, Starwood issued a press release announcing that it had received the Consortium's unsolicited proposal and a waiver from Marriott permitting Starwood to engage in discussions with, and provide diligence information to, the Consortium in connection with its proposal.

Later on March 14, 2016, the Strategy Committee met, with members of Starwood's management, including Mr. Mangas, Mr. Siegel and Mr. Schnaid, and representatives of Citi, Lazard and Cravath participating. The committee discussed the status of discussions with the Consortium, including diligence progress and funding certainty matters. As was suggested by Anbang and relayed to the Strategy Committee by Starwood's financial advisors, the Strategy Committee authorized representatives of Lazard to schedule a meeting between Mr. Duncan and Chairman Wu Xiaohui, the Chairman of Anbang.

Also on March 14, 2016, a representative of Cravath sent a revised merger agreement to representatives of Skadden.

On March 15, 2016, Starwood's Board met, with members of Starwood's management, including Mr. Siegel and Mr. Schnaid, and representatives of Citi, Lazard and Cravath participating. Starwood's Board discussed open legal issues, including required governmental approvals, funding certainty, CFIUS and responsibility for payment to Marriott of the original merger agreement's termination fee in the event Starwood were to terminate the original merger agreement with Marriott. Starwood's Board directed Starwood's financial and legal advisors to continue discussions with the Consortium.

On March 16, 2016, Starwood's and the Consortium's respective financial and legal advisors separately discussed various potential funding mechanisms to ensure that the transaction would be funded at closing.

Table of Contents

During the afternoon of March 16, 2016, the Strategy Committee met, with members of Starwood's management, including Mr. Mangas and Mr. Siegel, and representatives of Citi, Lazard and Cravath participating. The Strategy Committee discussed the fact that the Consortium had not yet provided a revised draft of its merger agreement or feedback on several key outstanding issues, including funding certainty and required governmental approvals.

Also on March 16, 2016, Mr. Mangas and Mr. Sorenson met to discuss ongoing integration matters.

On the evening of March 16, 2016, Mr. Duncan and Mr. Wu met to discuss the Consortium's proposal.

Concurrently with Mr. Duncan and Mr. Wu's meeting, Starwood's Board (except for Mr. Duncan) met, with members of Starwood's management, including Mr. Siegel and Mr. Schnaid, and representatives of Citi, Lazard and Cravath participating. Starwood's Board discussed the Consortium's proposal and received updates from Citi, Lazard and Cravath on their respective discussions with the Consortium's financial and legal advisors. Starwood's Board discussed the Consortium's proposal, including price and legal matters such as required governmental approvals and the CFIUS approval process. Starwood's Board emphasized that certainty of closing and funding at closing were critical issues and directed Starwood's financial and legal advisors to continue to instruct the Consortium and its advisors to provide for such certainty in its proposal, in addition to addressing considerations on price.

Later that evening, representatives of Cravath and Skadden had a discussion on the draft merger agreement. During that discussion, representatives of Skadden relayed proposals to resolve the regulatory and CFIUS issues in the Consortium's proposal. The representatives of Skadden also reiterated that they understood the need for the Consortium to be fully responsive on financing certainty, and that they were continuing to finalize their financing commitments. The representatives of Skadden also said that the Consortium was not prepared to reimburse Starwood for the termination fee that would be payable to Marriott were the original merger agreement with Marriott to be terminated in favor of a superior proposal from the Consortium.

On the morning of March 17, 2016, the Strategy Committee, Mr. Mangas and representatives of Citi, Lazard and Cravath met with Mr. Wu and other representatives of the Consortium and its advisors. In that meeting, Mr. Wu confirmed that the Consortium was working towards finalizing its financing arrangements, and that the Consortium understood the need to provide financing certainty. Mr. Wu provided an overview of the Consortium's proposed financing structure to address these considerations. The representatives of the Strategy Committee indicated to Mr. Wu that the proposed financing structure addressed the concerns that had been raised by Starwood, subject to receiving and reviewing the definitive documentation for the financing arrangements, and encouraged the Consortium to increase the price per share of its proposal. Mr. Wu also said that the Consortium would be willing to reimburse Starwood for \$200 million of the termination fee that would be payable to Marriott were the original merger agreement with Marriott to be terminated in favor of a superior proposal from the Consortium.

On the evening of March 17, 2016, Starwood's Board met, with members of Starwood's management, including Mr. Siegel and Mr. Schnaid, and representatives of Citi, Lazard and Cravath participating. Starwood's Board discussed the Consortium's revised proposal relative to the transactions contemplated by the original merger agreement with Marriott and reviewed the progress made to date in discussions with the Consortium and its advisors on other topics, such as funding certainty and regulatory matters. Starwood's Board determined that the Consortium's proposal was reasonably likely to lead to a Starwood Superior Proposal (as defined in the original merger agreement), which

Table of Contents

determination enabled Starwood to continue engaging in discussions with, and providing diligence information to, the Consortium in connection with its proposal after the Marriott waiver expired at 11:59 p.m. that night. Later on March 17, 2016, the Consortium increased the price per share of its non-binding proposal from \$76.00 to \$78.00.

Early on the morning of March 18, 2016, Starwood received a binding and fully financed proposal from Anbang, including proposed definitive documentation and a funding commitment from the New York branch of a Chinese bank. The Consortium's proposed agreement and plan of merger provided for a reverse subsidiary merger whereby a subsidiary of the Consortium's special purpose vehicle would merge with and into Starwood, with Starwood surviving as a wholly owned subsidiary of the special purpose vehicle. The special purpose vehicle, whose obligations under the agreement would be guaranteed by Anbang, would also agree to reimburse Starwood for one-half of the \$400 million termination fee that would be payable to Marriott upon termination of the original merger agreement with Marriott.

Pursuant to the Consortium's merger agreement, Starwood's stockholders would receive \$78.00 per share in cash, not including consideration to be received from the Vistana-ILG transactions, which was valued at \$5.67 based on ILG's 20-day volume weighted average price ending March 17, 2016. In comparison, based on Marriott's 20-day volume weighted average price ending March 17, 2016, the Original Combination Transactions had a current value of \$65.33 per Starwood share, including the \$2.00 cash per share consideration, also not including consideration to be received from the Vistana-ILG transactions.

Following receipt of the Consortium's binding proposal, early on the morning of March 18, 2016, Starwood's Board met, with members of Starwood's management, including Mr. Siegel and Mr. Schnaid, and representatives of Citi, Lazard and Cravath participating. Representatives of Cravath reviewed with Starwood's Board its fiduciary duties in considering the Consortium's binding proposal. Starwood's Board then discussed the Consortium's binding proposal relative to the original merger agreement with Marriott and the Original Combination Transactions. Starwood's management reviewed with Starwood's Board that since November 2015, overall economic sentiment had become more uncertain, industry-wide revenue per available room and EBITDA results in 2015 were lower than expected and expectations of revenue per available room and EBITDA growth in 2016 had been lowered since the end of the third quarter of 2015. Starwood's management reviewed the global macroeconomic outlook generally, as well as the outlook for the lodging sector, and reviewed how guidance had declined for Starwood and a number of its peers. Members of Starwood's management reviewed that Starwood's Board had previously used two cases for each of Starwood and Marriott, the Starwood Forecasts Base Case and the Starwood-adjusted Marriott Forecasts Base Case (together, the Base Cases) and the Starwood Forecasts Conservative Case and the Starwood-adjusted Marriott Forecasts Conservative Case (together, the Conservative Cases), in its review of strategic alternatives and its evaluation of the combination with Marriott, where the principal difference between the two cases were perspectives on macroeconomic factors. Starwood's management expressed its view that trends over the past several months were closer in line with the Conservative Cases than the Base Cases. Starwood's management then reviewed with Starwood's Board adjustments to forecasted financial performance in the Conservative Cases and the Base Cases made by Starwood's management since November 2015, including with respect to EBTIDA and revenue per available room, and that, in light of recent trends, the Conservative Cases, as so adjusted, represented Starwood management's best current view of forecasted performance. See the Updated Starwood Forecasts Conservative Case and the Updated Starwood-adjusted Marriott Forecasts Conservative Case (together, the Updated Conservative Cases) in the section entitled Certain Starwood Financial Forecasts.

Table of Contents

After discussing these matters, Starwood's Board concurred with this perspective and agreed that Citi and Lazard should evaluate the Consortium proposal and the pending Marriott transaction utilizing the Updated Conservative Cases.

Starwood's Board also reviewed with representatives of Cravath the terms of the Consortium's proposed merger agreement and related documentation, including the funding commitment. Citi and Lazard then reviewed financial information and analyses of the Consortium proposal relative to the pending transaction with Marriott.

After discussion and consultation with Starwood's legal and financial advisors, Starwood's Board unanimously determined that the Consortium's binding proposal constituted a Starwood Superior Proposal and that Starwood should give notice to Marriott of its intent to terminate the original merger agreement in order to enter into a definitive agreement with respect to the Consortium's binding proposal. Following the meeting, Starwood sent this notice to Marriott and issued a press release announcing that Starwood's Board had determined that the Consortium's binding proposal constituted a Starwood Superior Proposal (as defined in the original merger agreement). Mr. Duncan and Mr. Mangas also called Mr. Sorenson to advise him of the Board's determination.

Pursuant to the original merger agreement, Marriott had until 11:59 p.m. on March 28, 2016 to negotiate revisions to the original merger agreement so that the Consortium's proposal no longer constituted a Starwood Superior Proposal.

On March 18, 2016, Marriott's Board held a meeting to discuss the receipt of Starwood's intent to terminate the original merger agreement to enter into a definitive agreement relating to a superior proposal and the potential of offering revised terms to the original merger agreement with Starwood. Members of Marriott's management and representatives of Gibson Dunn and Deutsche Bank were present. Members of Marriott's management and Marriott's advisors updated Marriott's Board on the current status of Starwood's negotiations with the Consortium, including the fact that, pursuant to the terms of the original merger agreement, Starwood provided to Marriott (on a confidential basis) the executed binding offer letter submitted to Starwood by the Consortium, together with a fully negotiated merger agreement between the Consortium and Starwood. Representatives of Gibson Dunn gave a presentation to Marriott's Board on its fiduciary duties in such a transaction. Marriott's Board, members of Marriott's management and Marriott's advisors discussed key points relating to a potential amendment to the original merger agreement, updated financial models, the strategic and financial rationale of the proposed transaction including the updated synergies expected to be realized in the transaction, potential risks, other strategic, business and legal considerations relating to the potential revised terms of the transaction, and the terms of the Consortium contract that Starwood had determined was a Starwood Superior Proposal (as defined in the original merger agreement). Marriott's management also presented to Marriott's Board the outlines of a financing commitment to fund the cash portion of any revised offer in the unexpected event that Marriott would be unable to fund the cash consideration using alternative financing and the costs of financing under such a commitment, and discussed with the board the merits of entering into such a commitment simultaneously with execution of any amendment. Following the discussion, Marriott's Board determined it was advisable to continue negotiations with Starwood. Marriott's Board authorized Marriott's management to take steps to negotiate an amendment to the original merger agreement beginning with a submission of a non-binding offer to Starwood proposing consideration of 0.800 shares of Marriott common stock, plus \$20.00, for each share of Starwood common stock, and including an increase in the termination fee that Starwood would need to pay to Marriott if the merger agreement were terminated under specified circumstances, to continue to negotiate the terms of a proposed amendment to the original merger agreement within the parameters discussed at this meeting, and to continue to negotiating with the participating banks to secure a financing commitment.

Table of Contents

On the morning of March 19, 2016, Mr. Hoffman sent Mr. Mangas, Mr. Siegel and a representative of Lazard a proposal letter and a draft of an amendment to the original merger agreement, which would decrease the exchange ratio from 0.920 to 0.800 and increase the cash consideration per share from \$2.00 to \$20.00, resulting in total per share value of \$78.53 based on Marriott's closing price on March 18, 2016.

Marriott's proposal also included an increase to the termination fee payable by Starwood in certain circumstances from \$400 million to \$600 million, as well as a fixed date for the Starwood and Marriott special meetings of April 8, 2016.

Also on the morning of March 19, 2016, the Strategy Committee met, with members of Starwood's management, including Mr. Mangas, Mr. Siegel and Mr. Schnaid, and representatives of Citi, Lazard and Cravath participating, to discuss Marriott's proposal.

On March 19, 2016, after discussions with Starwood's financial advisors, Marriott increased the cash consideration portion of its proposal from \$20.00 per share to \$21.00 per share, resulting in total per share value of \$79.53 based on Marriott's closing price on March 18, 2016. Marriott also lowered its requested termination fee to \$500 million, while rejecting Starwood's proposed \$2.00 increase in cash consideration and a 10% exchange ratio collar.

On the evening of March 19, 2016, Starwood's Board met, with members of Starwood's management, including Mr. Siegel and Mr. Schnaid, and representatives of Citi, Lazard and Cravath participating, to discuss the Marriott proposal and Marriott's proposed amendment to the original merger agreement, including the value of the consideration to be received by Starwood stockholders pursuant to Marriott's proposal relative to the Consortium's proposal and the termination fee payable by Starwood under certain circumstances.

Starwood's Board directed a representative of Lazard to contact Mr. Hoffman to negotiate a reduction in the proposed termination fee, which such representative did that night. Mr. Hoffman agreed to recommend to Marriott's senior management and Marriott's Board that Marriott accept a \$450 million termination fee and in addition, in circumstances in which Starwood would be required to pay the termination fee to Marriott, that Starwood reimburse Marriott for up to \$18 million of its out-of-pocket expenses incurred in connection with arranging or obtaining financing for the Combination Transactions. On the morning of March 20, 2016, a representative of Gibson Dunn sent representatives of Cravath a revised draft of an amendment to the original merger agreement, which reflected such termination fee and expense reimbursement.

On March 20, 2016, Starwood's Board met, with members of Starwood's management, and representatives of Citi, Lazard and Cravath participating, to discuss the proposed Marriott amendment and several negotiated improvements from Marriott's initial March 19, 2016 proposal. Representatives of Cravath reviewed with Starwood's Board its fiduciary duties in considering the amendment. Starwood's Board then discussed the fact that the amendment provided for merger consideration with a then-current value of \$79.53 per share, based on the closing price of Marriott common stock of \$73.16 on March 18, 2016, which was higher than the value offered by the Consortium's proposal, and that the proposed termination fee and expense reimbursement together represented less than 3.5% of the approximate equity value of the transaction. Starwood's Board also considered the fact that Starwood stockholders would own approximately 34% of the equity interests in the combined company, which would give former Starwood stockholders the opportunity to participate in any future earnings and growth of the combined company. See the section entitled "The Combination Transactions—Starwood's Reasons for the Combination Transactions; Recommendation of Starwood's Board."

Table of Contents

Starwood's Board requested that Citi and Lazard render to Starwood's Board their respective opinions with respect to the transactions contemplated by the proposed amendment to the original merger agreement. Representatives of Citi and Lazard reviewed with Starwood's Board Citi's and Lazard's financial analyses of the proposed transaction with Marriott and then each of Citi and Lazard rendered to Starwood's Board an oral opinion, confirmed by delivery by each of Citi and Lazard of a written opinion dated March 20, 2016, that, as of that date and based upon and subject to the various assumptions made, procedures followed, matters considered and qualifications and limitations upon the review undertaken as set forth in their respective written opinions, the merger consideration to be paid to holders of Starwood common stock (other than excluded holders) in the Combination Transactions pursuant to the merger agreement was fair, from a financial point of view, to those holders. For more information about Citi's and Lazard's respective opinions, see the sections entitled "Opinions of Starwood's Financial Advisors" Opinion of Citigroup Global Markets Inc. and "Opinions of Starwood's Financial Advisors" Opinion of Lazard Frères & Co. LLC.

After considering these factors, Starwood's Board concluded that (i) entry into the amendment to the original merger agreement with Marriott was in the best interests of Starwood stockholders, (ii) the Consortium's binding proposal to acquire all of the outstanding shares of common stock of Starwood for \$78.00 per share in cash no longer constituted a Starwood Superior Proposal (as defined in the merger agreement) and (iii) it no longer intended to terminate the original merger agreement in order to enter into a definitive agreement with the Consortium.

On March 20, 2016, Marriott's Board held a meeting at which members of Marriott's management and representatives of Gibson Dunn and Deutsche Bank were present. Marriott's management and Marriott's advisors provided Marriott's Board with information on proposed changes to the amendment to the original merger agreement since the last meeting of Marriott's Board including the proposed consideration of 0.800 shares of Marriott common stock, plus \$21.00, for each share of Starwood common stock, and the increase in the termination fee from \$400 million to \$450 million, plus the addition, in circumstances in which Starwood would be required to pay the termination fee to Marriott, that Starwood reimburse Marriott for up to \$18 million of its out-of-pocket expenses incurred in connection with arranging or obtaining financing for the Combination Transactions. In addition, Marriott's management advised the Board that they had secured the financing commitment to fund the cash portion of the revised consideration and the cost of that commitment. During the meeting, Deutsche Bank reviewed its financial analysis of the revised terms of the proposed transaction and delivered to Marriott's Board its oral opinion, which Deutsche Bank confirmed by delivery of a written opinion dated March 20, 2016, to the effect that, as of that date and based upon and subject to the assumptions, limitations, qualifications and conditions set forth in its opinion, the proposed merger consideration was fair, from a financial point of view, to Marriott, as more fully described below in the section entitled "Opinion of Marriott's Financial Advisor." Gibson Dunn reviewed with Marriott's Board its fiduciary duties. Marriott's Board asked questions and discussed the amendment to the original merger agreement provisions and related matters. After discussion in which Marriott's Board considered the factors discussed further in the section entitled "Marriott's Reasons for the Combination Transactions; Recommendation of Marriott's Board," all of the members of Marriott's Board present at the meeting unanimously approved the amendment to the original merger agreement and the transactions contemplated by the merger agreement. Marriott's Board also deemed it advisable, and in the best interests of Marriott and its stockholders, to consummate the Combination Transactions, on the terms and subject to the conditions set forth in the merger agreement, to enter into the financing commitment, and to recommend that Marriott stockholders vote to approve the issuance of Marriott common stock to Starwood stockholders as contemplated by the merger agreement.

Following the respective meetings of Starwood's Board and Marriott's Board, Starwood and Marriott then executed the amendment to the original merger agreement in connection with the Combination Transactions and Marriott accepted the financing commitment.

Prior to the opening of markets in the United States on March 21, 2016, Starwood and Marriott jointly announced the amendment to the original merger agreement.

Table of Contents

Starwood's Reasons for the Combination Transactions; Recommendation of Starwood's Board

The section of the Joint Proxy Statement/Prospectus entitled *The Combination Transactions Starwood's Reasons for the Combination Transactions; Recommendation of Starwood's Board* is hereby supplemented as follows:

Starwood's Board, at a meeting held on March 20, 2016, unanimously:

approved and declared advisable the original merger agreement as amended by the amendment, the Combination Transactions and all of the other transactions contemplated by the original merger agreement as amended by the amendment;

determined that the Consortium's binding proposal no longer constituted a Starwood Superior Proposal as defined in the merger agreement;

declared that it is in the best interests of Starwood and its stockholders that Starwood enter into the amendment and consummate the Combination Transactions and all of the other transactions contemplated by the original merger agreement as amended by the amendment;

directed that the original merger agreement as amended by the amendment be submitted to a vote at a meeting of Starwood stockholders; and

recommended that Starwood stockholders vote their shares in favor of the transactions contemplated by the original merger agreement as amended by the amendment.

Accordingly, Starwood's Board unanimously recommends a vote FOR the Starwood combination transactions proposal and a vote FOR all other proposals.

In evaluating the proposed Combination Transactions, Starwood's Board consulted with and received the advice of Starwood's outside legal and financial advisors, held discussions with Starwood's management and considered a number of factors that it believed supported its decision to initially enter into the original merger agreement and to enter into the amendment. These factors included, but were not limited to, the other factors described in the section entitled *The Combination Transactions Starwood's Reasons for the Combination Transactions; Recommendation of Starwood's Board* in the joint proxy statement/prospectus and the following:

the fact that the amendment increased the implied value of the merger consideration to \$79.53 per share of Starwood common stock (comprised of (i) \$21.00 in cash, without interest, plus (ii) 0.800 shares of Marriott common stock valued at \$58.53 per share of Starwood common stock based on the closing price of Marriott common stock on March 18, 2016 of \$73.16), which, when taken together with the implied value of the Vistana business per share of Starwood common stock of \$5.83, based on the closing price of ILG's common stock on March 18, 2016, provided for a combined value of \$85.36 per share of Starwood common stock;

Table of Contents

the fact that the improved merger consideration provided for in the amendment represented a 14.75% increase over the merger consideration provided for in the original merger agreement prior to the amendment (based on the closing price of Marriott common stock on March 18, 2016);

the fact that the amendment significantly increased the cash portion of the merger consideration which provides greater certainty of value and liquidity to Starwood stockholders immediately following the completion of the Combination Transactions;

the fact that the implied value of the merger consideration provided for by the amendment was greater than the value of the merger consideration that would be received by Starwood stockholders in the Consortium's binding proposal of \$78.00 per share in cash;

the fact that the amendment provided value to Starwood stockholders through long-term upside potential from shared synergies and ownership in one of the world's most respected companies, as well as significant upfront cash consideration;

the fact that the per share merger consideration to be paid to Starwood stockholders consisted of a high Marriott common stock component and that Starwood stockholders would own approximately 34% of the equity interests in Marriott immediately following the completion of the Combination Transactions based on the number of shares of common stock of Starwood and Marriott then outstanding, which would give former Starwood stockholders the opportunity to participate in any future earnings and growth of Marriott and future appreciation of Marriott's common stock following the Combination Transactions should they decide to retain the Marriott common stock they would receive in the Combination Transactions;

the fact that Marriott and Starwood have already obtained important regulatory consents necessary to complete the Combination Transactions, including clearing pre-merger antitrust reviews in the United States, Canada, India, Taiwan and South Africa; and

the financial analyses reviewed and discussed with Starwood's Board by representatives of Lazard and Citi as well as the oral opinion of each of Lazard and Citi rendered to Starwood's Board on March 20, 2016 (which were subsequently confirmed by delivery of a written opinion of each of Lazard and Citi dated the same date) to the effect that, as of March 20, 2016 and based on and subject to the qualifications, limitations and assumptions set forth in those opinions, the merger consideration to be paid to Starwood stockholders (other than excluded holders) in the Combination Transactions pursuant to the merger agreement was fair, from a financial point of view, to such stockholders.

In the course of its deliberations, Starwood's Board also considered a variety of risks and other countervailing factors related to initially entering into the original merger agreement and entering into the amendment, the Combination Transactions and the other transactions contemplated thereby including, but not limited to, the countervailing factors described in the section entitled "The Combination Transactions" Starwood's Reasons for the Combination Transactions;

Recommendation of Starwood's Board in the joint proxy statement/prospectus and the possibility that, if the Combination Transactions are not consummated, under certain circumstances, Starwood may be required to pay to Marriott an increased termination fee of \$450 million and be required to reimburse Marriott for up to \$18 million of actual costs incurred by Marriott in connection with the financing of the Combination Transactions, each as more fully described in the sections entitled "The Merger Agreement - Termination of the Merger Agreement" and "The Merger Agreement - Amendment"

Table of Contents

Number 1 to the Merger Agreement in the joint proxy statement/prospectus which could discourage third parties, including the Consortium, from making an unsolicited alternative acquisition proposal for Starwood, but which Starwood's Board believed would not be a meaningful deterrent.

In addition, Starwood's Board was aware of and considered the interests of its directors and executive officers that are different from, or in addition to, the interests of Starwood stockholders generally, including the treatment of Starwood stock options and other equity-based awards held by such directors and executive officers in the Combination Transactions described in the section entitled Interests of Starwood Directors and Executive Officers in the Combination Transactions, in the joint proxy statement/prospectus, Marriott's agreement to indemnify Starwood directors and officers against certain claims and liabilities and the fact that certain of Starwood's directors would continue to be directors on the board of directors of the combined company as described in the section entitled The Merger Agreement Governance, in the joint proxy statement/prospectus.

The foregoing discussion of the information and factors that Starwood's Board considered is not intended to be exhaustive, but rather is meant to include the material factors that Starwood's Board considered and is subject to the information set forth in the section entitled The Combination Transactions Starwood's Reasons for the Combination Transactions; Recommendation of Starwood's Board in the joint proxy statement/prospectus. Starwood's Board collectively reached the conclusion to approve the amendment, the original merger agreement, the Combination Transactions and all of the other transactions contemplated by the original merger agreement and the amendment in light of the various factors described above and other factors that the members of Starwood's Board believed were appropriate. In view of the complexity and wide variety of factors, both positive and negative, that Starwood's Board considered in connection with its evaluation of the Combination Transactions, Starwood's Board did not find it practical, and did not attempt, to quantify, rank or otherwise assign relative or specific weights or values to any of the factors it considered in reaching its decision and did not undertake to make any specific determination as to whether any particular factor, or any aspect of any particular factor, was favorable or unfavorable to the ultimate determination of Starwood's Board. Rather, in considering the various factors, individual members of Starwood's Board considered all of these factors as a whole and concluded, based on the totality of information presented to them and the investigation conducted by them, that, on balance, the positive factors outweighed the negative factors and that they supported a determination to approve the merger agreement (including the amendment), declare its advisability and recommend that Starwood stockholders vote to approve the Combination Transactions. In considering the factors discussed above, individual directors may have given different weights to different factors and the factors are not presented in any order of priority.

Table of Contents

Opinions of Starwood's Financial Advisors

The section of the Joint Proxy Statement/Prospectus entitled *The Combination Transactions Opinions of Starwood's Financial Advisors* is hereby amended and restated in its entirety and is set forth below.

Starwood retained each of Citi and Lazard as financial advisors to, among other things, advise Starwood's Board in connection with a possible direct or indirect sale of Starwood and, if requested, render an opinion to Starwood's Board as to the fairness, from a financial point of view, to Starwood stockholders of the consideration to be paid to such stockholders in a transaction within the scope, and in accordance with the terms, of their respective engagement letters.

Opinion of Citigroup Global Markets Inc.

On March 20, 2016, Citi rendered its oral opinion to Starwood's Board, which was confirmed by delivery of a written opinion dated March 20, 2016, to the effect that, as of such date and based on and subject to the assumptions made, procedures followed, matters considered and limitations and qualifications set forth in the written opinion, the merger consideration to be paid to Starwood stockholders (other than excluded holders) in the Combination Transactions pursuant to the merger agreement was fair, from a financial point of view, to such stockholders.

The full text of Citi's written opinion, dated March 20, 2016, which sets forth, among other things, the assumptions made, procedures followed, matters considered and limitations and qualifications on the review undertaken by Citi in rendering its opinion, is attached to the Current Report on Form 8-K filed by Starwood with the Securities and Exchange Commission on March 25, 2016 as Exhibit 99.1 and is incorporated into the joint proxy statement/prospectus by reference in its entirety. The summary of Citi's opinion set forth below is qualified in its entirety by reference to the full text of the opinion. We urge you to read the opinion carefully and in its entirety. Citi's opinion, the issuance of which was authorized by Citi's fairness opinion committee, was provided to Starwood's Board (in its capacity as such) in connection with its evaluation of the Combination Transactions and was limited to the fairness, from a financial point of view, as of the date of the opinion, to Starwood stockholders (other than excluded holders) of the merger consideration to be paid to such stockholders in the Combination Transactions pursuant to the merger agreement. Citi's opinion does not address any other aspects or implications of the Combination Transactions and does not constitute a recommendation to any stockholder as to how such stockholder should vote or act on any matters relating to the Combination Transactions. Citi's opinion does not address the underlying business decision by Starwood to effect the Combination Transactions, the relative merits of the Combination Transactions as compared to any alternative business strategies that might exist for Starwood or the effect of any other transaction in which Starwood may engage. The following is a summary of Citi's opinion.

In arriving at its opinion, Citi, among other things:

reviewed the original merger agreement and a draft of the amendment, dated March 20, 2016;

held discussions with certain senior officers, directors and other representatives and advisors of Starwood and certain senior officers and other representatives and advisors of Marriott concerning the businesses, operations and prospects of Starwood and Marriott;

examined certain publicly available business and financial information relating to Starwood and Marriott;

examined certain financial forecasts and other information and data relating to Starwood and Marriott which were provided to or discussed with Citi by the respective managements of Starwood and Marriott, including (a) the Updated Starwood Forecasts Base Case and the Updated Starwood Forecasts Conservative Case described in the section entitled The Combination Transactions Certain Starwood Financial Forecasts, (b) the Updated Starwood-adjusted Marriott Forecasts Base Case and the Updated Starwood-adjusted Marriott Forecasts Conservative Case described in the section entitled The Combination Transactions Certain Starwood Financial Forecasts and (c) information relating to the potential strategic implications and operational benefits (including the amount, timing and achievability thereof) anticipated by the managements of Starwood and Marriott to result from the Combination Transactions;

reviewed the financial terms of the Combination Transactions as set forth in the original merger agreement and the amendment in relation to, among other things, current and historical market prices and trading volumes of Starwood common stock

Table of Contents

and Marriott common stock, the historical and projected earnings and other operating data of Starwood and Marriott and the capitalization and financial condition of Starwood and Marriott;

considered, to the extent publicly available, the financial terms of certain other transactions which Citi considered relevant in evaluating the Combination Transactions;

analyzed certain financial, stock market and other publicly available information relating to the businesses of other companies whose operations Citi considered relevant in evaluating those of Starwood and Marriott;

evaluated certain potential pro forma financial effects of the Combination Transactions on Marriott;

at the direction of Starwood, approached and held discussions with third parties to solicit indications of interest in the possible acquisition of Starwood prior to Starwood entering into the original merger agreement; and

conducted such other analyses and examinations and considered such other information and financial, economic and market criteria as Citi deemed appropriate in arriving at its opinion.

In rendering its opinion, Citi assumed and relied, without independent verification, upon the accuracy and completeness of all financial and other information and data publicly available or provided to or otherwise reviewed by or discussed with Citi and upon the assurances of the managements of Starwood and Marriott that they were not aware of any relevant information that was omitted or that remained undisclosed to Citi. At the direction of Starwood, for purposes of Citi's analysis of Starwood, Citi used the Updated Starwood Forecasts - Conservative Case described in the section entitled "The Combination Transactions - Certain Starwood Financial Forecasts," and for purposes of Citi's analysis of Marriott, Citi used the Updated Starwood-adjusted Marriott Forecasts - Conservative Case described in the section entitled "The Combination Transactions - Certain Starwood Financial Forecasts." With respect to financial forecasts and other information and data provided to or otherwise reviewed by or discussed with Citi, Citi was advised by the respective managements of Starwood and Marriott that such forecasts and other information and data were reasonably prepared on bases reflecting the best currently available estimates and judgments of the managements of Starwood and Marriott as to the future financial performance of Starwood and Marriott, the potential strategic implications and operational benefits anticipated to result from the Combination Transactions and the other matters covered thereby, and assumed, with Starwood's consent, that the financial results (including the potential strategic implications and operational benefits anticipated to result from the Combination Transactions) reflected in such forecasts and other information and data will be realized in the amounts and at the times projected.

Citi also assumed, with Starwood's consent, that the Combination Transactions will be consummated in accordance with their terms, without waiver, modification or amendment of any material term, condition or agreement, including that the Vistana spin-off will be consummated before the closing of the Combination Transactions. Citi further assumed, with Starwood's consent, that the Vistana spin-off will be consummated on the terms set forth in the Vistana documents, without any waiver, modification or amendment of any material term, condition or agreement thereof or, if the Vistana-ILG transactions are not consummated, that the terms of the Vistana spin-off will not differ from the terms of the Vistana-ILG transactions in any respect material to Citi's analysis. Citi also assumed that, in the course of obtaining the necessary regulatory or third-party approvals, consents and releases for the Combination Transactions,

no delay, limitation, restriction or condition will be imposed that would have an adverse effect on Starwood, Marriott or the contemplated benefits of the

Table of Contents

Combination Transactions. Representatives of Starwood advised Citi, and Citi assumed, that the final terms of the amendment would not vary materially from those set forth in the draft reviewed by Citi. Citi also assumed, with Starwood's consent, that the Combination Transactions will be treated as tax-free reorganizations for U.S. federal income tax purposes. Citi's opinion related to the relative values of Starwood and Marriott. Citi did not express any opinion as to what the value of Marriott common stock actually will be when issued pursuant to the Combination Transactions or the price at which shares of Marriott common stock will trade at any time. Citi did not make and it was not provided with an independent evaluation or appraisal of the assets or liabilities (contingent or otherwise) of Starwood or Marriott and Citi did not make any physical inspection of the properties or assets of Starwood or Marriott. Citi's opinion did not address the underlying business decision of Starwood to effect the Combination Transactions, the relative merits of the Combination Transactions as compared to any alternative business strategies that might exist for Starwood or the effect of any other transaction in which Starwood might engage. Citi expressed no view or opinion as to any terms or other aspects (other than the merger consideration to the extent expressly specified in its opinion) of the Combination Transactions or as to any terms or aspects of the Vistana-ILG transactions or the Vistana spin-off. Citi also expressed no view as to, and Citi's opinion did not address, the fairness (financial or otherwise) of the amount or nature or any other aspect of any compensation to any officers, directors or employees of any parties to the Combination Transactions, or any class of such persons, relative to the merger consideration or otherwise. Citi's opinion was necessarily based upon information available to it, and financial, stock market and other conditions and circumstances existing, as of March 20, 2016.

For a summary of the material financial analyses presented by Citi, together with Lazard, to Starwood's Board in connection with delivery of Citi's opinion, see the section entitled "Summary of Joint Financial Analyses of Citi and Lazard."

Under the terms of Citi's engagement, Starwood has agreed to pay Citi for its financial advisory services in connection with the Combination Transactions an aggregate fee of approximately \$21 million, \$5 million of which was payable upon delivery by Citi of its opinion dated November 15, 2015 in connection with entry into the original merger agreement, \$5 million of which was payable upon delivery by Citi of its opinion dated March 20, 2016 in connection with entry into the amendment and the remainder of which is payable upon completion of the Combination Transactions. Subject to certain limitations, Starwood also has agreed to reimburse Citi, subject to certain conditions, for reasonable and documented travel and other reasonable and documented out-of-pocket expenses incurred by Citi in performing its services, including reasonable and documented fees and expenses of its legal counsel, and to indemnify Citi and related persons against certain liabilities, including liabilities under the federal securities laws, arising out of its engagement.

Citi and its affiliates in the past have provided, and are currently providing, services to Starwood and Marriott unrelated to the Combination Transactions, for which services Citi and such affiliates have received and expect to receive compensation, including, without limitation, during the two-year period ending on March 20, 2016, having acted or acting (i) as financial advisor to Starwood in connection with the Vistana-ILG transactions, (ii) as joint book-runner in connection with Starwood's \$350 million and \$300 million senior unsecured notes issuances in September 2014, (iii) as lender, co-syndication agent, joint lead arranger, joint book-runner and/or dealer, as applicable, in connection with a credit facility and commercial paper program of Starwood, (iv) as co-manager in connection with Marriott's \$600 million senior notes offering in September 2015 and \$400 million senior notes offering in October 2014, (v) as lender in connection with a credit facility of Marriott and (vi) as global cash manager for Marriott providing various standby credit, clearing, settlement and foreign exchange services. In the ordinary course of business, Citi and its affiliates may actively trade or hold the securities of Starwood and Marriott for their own account or for the accounts of their customers and, accordingly, may at any time hold a long or short position in such securities. In addition, Citi and its affiliates (including Citigroup Inc. and its affiliates) may maintain relationships with

Table of Contents

Starwood, Marriott and their respective affiliates. During the two-year period ending on March 20, 2016, Citi and its affiliates received fees of approximately \$9 million (including \$5 million payable upon delivery by Citi of its opinion dated November 15, 2015 in connection with entry into the original merger agreement) in the aggregate for services rendered to Starwood and fees of approximately \$8 million in the aggregate for services rendered to Marriott.

Starwood's Board selected Citi to act as one of its financial advisors in connection with the Combination Transactions based on Citi's reputation and experience. Citi is an internationally recognized investment banking firm which regularly engages in the valuation of businesses and their securities in connection with mergers and acquisitions, negotiated underwritings, competitive bids, secondary distributions of listed and unlisted securities, private placements and valuations for corporate and other purposes.

Opinion of Lazard Frères & Co. LLC

At a meeting of Starwood's Board held to evaluate the Combination Transactions on March 20, 2016, Lazard rendered an oral opinion to Starwood's Board, subsequently confirmed in writing, to the effect that, as of such date, and based upon and subject to the assumptions, procedures, factors, qualifications and limitations set forth in Lazard's written opinion, the merger consideration to be paid to Starwood stockholders (other than excluded holders) in the Combination Transactions pursuant to the merger agreement was fair, from a financial point of view, to such stockholders.

The full text of Lazard's written opinion, dated March 20, 2016, which sets forth the assumptions made, procedures followed, factors considered and qualifications and limitations on the review undertaken by Lazard in connection with its opinion, is attached as Exhibit 99.3 to the Current Report on Form 8-K filed by Starwood with the Securities and Exchange Commission on March 25, 2016 and is incorporated into the joint proxy statement/prospectus by reference.

Lazard's opinion was directed to and for the benefit of Starwood's Board (in its capacity as such) for the information and assistance of Starwood's Board in connection with its evaluation of the Combination Transactions and only addressed the fairness, from a financial point of view, to Starwood stockholders (other than excluded holders) of the merger consideration to be paid to such stockholders in the Combination Transactions pursuant to the merger agreement as of the date of Lazard's opinion, and Lazard's opinion did not address any other aspect of the Combination Transactions. Lazard's opinion did not address the relative merits of the Combination Transactions as compared to any other transaction or business strategy in which Starwood might engage or the merits of the underlying decision by Starwood to engage in the Combination Transactions. Lazard's opinion was not intended to and does not constitute a recommendation to any stockholder as to how such stockholder should vote or act with respect to the Combination Transactions or any matter relating thereto. Lazard's opinion was necessarily based on economic, monetary, market and other conditions as in effect on, and the information made available to Lazard as of, the date of Lazard's opinion. Lazard assumed no responsibility for updating or revising its opinion based on circumstances or events occurring after the date of Lazard's opinion. Lazard's opinion did not express any opinion as to the price at which shares of Starwood common stock or Marriott common stock may trade at any time after the announcement of the Combination Transactions.

The following is a summary of Lazard's opinion. The description of Lazard's opinion set forth in the joint proxy statement/prospectus is qualified in its entirety by reference to the full text of Lazard's written opinion attached as Exhibit 99.3 to the Current Report on Form 8-K filed by Starwood with the Securities and Exchange Commission on March 25, 2016. We encourage you to read Lazard's opinion and this section carefully and in their entirety.

Table of Contents

In connection with its opinion, Lazard:

reviewed the financial terms and conditions of the original merger agreement and a draft, dated March 20, 2016, of the amendment;

reviewed certain publicly available historical business and financial information relating to Starwood and Marriott;

reviewed various financial forecasts and other data provided to Lazard by Starwood relating to the business of Starwood (including the Updated Starwood Forecasts Base Case and the Updated Starwood Forecasts Conservative Case described in the section entitled The Combination Transactions Certain Starwood Financial Forecasts), reviewed various financial forecasts and other data provided to Lazard by Marriott relating to the business of Marriott and adjustments thereto and extrapolations therefrom as provided to Lazard by Starwood (including the Updated Starwood-adjusted Marriott Forecasts Base Case and the Updated Starwood-adjusted Marriott Forecasts Conservative Case described in the section entitled The Combination Transactions Certain Starwood Financial Forecasts), and reviewed the projected synergies and other benefits, including the amount and timing thereof, anticipated by the managements of Starwood and Marriott to be realized from the Combination Transactions;

held discussions with members of the senior managements of Starwood and Marriott with respect to the business and prospects of Starwood and Marriott, respectively, and held discussions with members of the senior managements of Starwood and Marriott with respect to the projected synergies and other benefits anticipated by the managements of Starwood and Marriott to be realized from the Combination Transactions;

reviewed public information with respect to certain other companies in lines of business Lazard believed to be relevant in certain respects in evaluating the businesses of Starwood and Marriott, respectively;

reviewed the financial terms of certain business combinations involving companies in lines of business Lazard believed to be generally relevant in evaluating the business of Starwood;

reviewed historical stock prices and trading volumes of Starwood common stock and Marriott common stock;

reviewed the potential pro forma financial impact of the Combination Transactions on Marriott based on the financial forecasts refer