

Hyatt Hotels Corp
Form 4
January 04, 2016

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2015
Estimated average burden hours per response... 0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
Trust 1740-C

(Last) (First) (Middle)

C/O CIBC TRUST COMPANY
(BAHAMAS) LIMITED, WEST
BAY STREET, P.O. BOX N-3933

(Street)

NASSAU, C5

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
Hyatt Hotels Corp [H]

3. Date of Earliest Transaction
(Month/Day/Year)
12/31/2015

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

___ Director ___ 10% Owner
___ Officer (give title below) ___X___ Other (specify below)
See Remarks

6. Individual or Joint/Group Filing(Check Applicable Line)
X Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)		
				(A) or (D)	Code	V	Amount	(D)	Price

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474
(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative	2. Conversion	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if	4. Transaction	5. Number of Derivative	6. Date Exercisable and Expiration Date	7. Title and Amount of Underlying Securities	8. P
------------------------	---------------	--------------------------------------	-------------------------------	----------------	-------------------------	---	--	------

Edgar Filing: Hyatt Hotels Corp - Form 4

- (1) The Transaction is consummated as proposed;
- (2) The Transaction is tax-free to MAP;
- (3) The operating cash flow of MAP will be made available and used to satisfy its obligations as they mature;
- (4) Our opinion of MAP's ability to pay its Debts and other Liabilities, including Contingent Liabilities and other commitments, as they mature, is limited to the period of time of the Financial Projections;
- (5) Immediately after the Transaction, MAP will arrange a \$700-\$800 million sale of accounts receivable facility;
- (6) Any Debt of MAP is permitted to be refinanced in conformity with common business practice to the extent consistent with covenants in the various financing documents; and
- (7) We have assumed that as of the Effective Date, the total Liabilities of MAP will be only those Liabilities set forth in its Pro Forma Balance Sheet and incorporated in the Financial Projections that were prepared by MAP and MOC, as the case may be, and furnished to us by the management of MAP and MOC, as the case may be, and their financial advisors. In the course of our investigation, nothing came to our attention which caused us to believe such assumptions to be unreasonable. The Pro Forma Balance Sheet is the unaudited Pro Forma Balance Sheet for MAP, as of the closing of the Transaction, using December 31, 2003 data, and adjusted to give effect to the Transaction, and restated by us to reflect the Fair Value and Present Fair Saleable Value of the aggregate assets of MAP. MAP's management has represented to us, and we have relied on the representation of MAP's and MOC's management, that no adverse changes have occurred since their preparation which would materially impact our reliance on the Pro Forma Balance Sheet and Financial Projections. Nothing has come to our attention which would lead us to believe our reliance on such representations to be unreasonable.

In connection with our Opinion, we have made such reviews, studies, analyses and inquiries as we have deemed necessary and appropriate under the circumstances. Among other things, we have:

- (1) reviewed the Transaction documents (including the Master Agreement to which MOC and Ashland are to become parties and the other Transaction Agreements (as defined in the Master Agreement) and the exhibits and schedules thereto) and SEC reporting and/or filing documents of MAP, MOC and Ashland;

K-5

Table of Contents

(2) reviewed the Financial Projections and inquired of management of MAP and MOC, as the case may be, as to the foundation for such projections and the basic assumptions made in the preparation of such projections relating to the type of business, geographic markets, economic conditions, and capital facilities and working capital requirements;

(3) reviewed audited and unaudited historical financial statements of MAP, including income statements, balance sheets and cash flow statements, and pro forma financial statements of MAP, including income statements, balance sheets and cash flow statements, as provided by management of MAP;

(4) visited the current headquarters and selected facilities of MAP to discuss historical and projected operating results and industry data, including the impact of future trends on the industries in which MAP competes, as well as the effects of consummating the Transaction;

(5) reviewed select internal financial analyses and other internally generated financial data provided by management of MAP, including asset valuations of MAP;

(6) reviewed Contingent Liabilities of MAP, including, but not limited to, Contingent Liabilities associated with asbestos-related claims, the environment and pension obligations;

(7) inquired of management of MAP and MOC as to estimated levels of cash and working capital to be required by MAP, after consummation of the Transaction;

(8) reviewed select publicly available economic, financial and market information as it relates to the business operations of MAP;

(9) reviewed select publicly available information regarding businesses similar to MAP and investigated the financial terms and post-transaction performance of recent acquisitions of businesses similar to MAP and operating in reasonably similar markets;

(10) discussed all of the foregoing information, where appropriate, with management of MAP and MOC and certain of their employees and agents;

(11) met with members of the senior management of MAP to discuss the business, properties, past history, results of operations and prospects of MAP, including discussions of the competitive environment in which MAP will operate and the impact of consummation of the Transaction on operations;

(12) discussed certain Transaction-related matters with representatives of MAP and MOC and their respective financial advisors and counsel; and

Edgar Filing: Hyatt Hotels Corp - Form 4

(13) conducted such other studies, analyses and inquiries as we deem necessary for purposes of the Opinion.

Our Opinion is intended to supplement, not substitute for, any addressees' due diligence, to the extent required, in this or any related transaction.

Opinion

Based upon and subject to the foregoing, and in reliance thereon, it is our opinion as of this date that, assuming the Transaction is consummated substantially as proposed as of the Effective Date:

(a) The Fair Value of the aggregate assets of MAP, immediately before and after consummation of the Transaction, will exceed its total Liabilities (including subordinated, unmatured, unliquidated, disputed and Contingent Liabilities);

(b) The Present Fair Saleable Value of the aggregate assets of MAP, immediately before and after consummation of the Transaction, will exceed its probable Liabilities, as they become absolute and mature;

(c) MAP, immediately before and after consummation of the Transaction, will be able to pay its Liabilities as they mature and come due;

K-6

Table of Contents

(d) MAP, immediately before and after consummation of the Transaction, will not have unreasonably small capital for the business in which it is engaged, as management of MAP has stated MAP's business is proposed to be conducted, following the consummation of the Transaction; and

(e) Immediately before and after giving effect to the Transaction, the Fair Value of the aggregate assets of MAP will exceed all Liabilities of MAP, other than Liabilities to members of MAP on account of their limited liability company interests.

It is understood that this Opinion is solely for the information of the MOC Board of Directors and, at the direction of MOC, the Ashland Board of Directors, and is not to be publicly quoted, or referred to, in whole or in part, in any written document other than (i) the filing and disclosing of the Opinion in any report or other document filed with the Securities and Exchange Commission (the SEC) and any state securities commission or blue sky authority, or other governmental authority or agency, if such filing or disclosure is required pursuant to the rules and regulations thereof, or required by any applicable law, rule or regulation, or any applicable stock exchange rule; (ii) the use or disclosure of the Opinion upon the demand, order or request of any court, administrative or governmental agency or regulatory body (whether or not such demand, order or request has the force of law) or as may be required or appropriate in response to any summons, subpoena or discovery requests; (iii) the disclosure of this Opinion in connection with (a) the Transaction; (b) an audit of MOC, MAP or Ashland by an independent public accountant or any administrative agency or regulatory body; or (iv) the provision of copies of, or any other disclosure of, this Opinion in connection with the exercise of any right or remedy, the defense of any claim in any litigation, or any governmental proceeding or investigation to which MOC, MAP or Ashland is subject or purported to be subject;

(v) the disclosure of the Opinion as may be requested, required or ordered in, or to protect MOC's, MAP's or Ashland's interest in, any litigation, governmental proceeding or investigation to which any of such persons or entities is subject or purported to be subject; or (vi) the disclosure of the Opinion as otherwise required by, or as reasonably determined by MOC, MAP or Ashland to be required by, any applicable law, order, regulation or ruling.

Very truly yours,

AMERICAN APPRAISAL ASSOCIATES, INC.

Lee P. Hackett

Executive Vice President

/lnm

K-7

Table of Contents

Annex L

March 18, 2004

Board of Directors

Marathon Oil Corporation

5555 San Felipe

Houston, Texas 77056

This letter is furnished at the request of Marathon Oil Corporation (MOC) in connection with the Transaction (as defined below) whereby MOC will acquire the entire equity membership interest in Marathon Ashland Petroleum LLC (MAP) owned by Ashland Inc. (Ashland).

Overview

We understand that currently MOC owns a 62% membership interest in MAP and Ashland owns a 38% membership interest in MAP (the Ashland Interest). Under the proposed terms of the Transaction (as defined below):

(i) MAP will redeem a portion of the Ashland Interest for an amount that is currently estimated at \$800 million (which estimate assumes that the Holdco Borrowing (as defined below) will be approximately \$1.9 billion) plus 38% of MAP's cash accumulated from operations prior to closing of the Transaction, which redemption consideration will be paid in a combination of cash and MAP accounts receivable (the Partial Redemption); the amount of the Partial Redemption will be increased (or decreased) to the extent of any decrease (or increase) in the amount of the Holdco Borrowing, and may also be increased: (a) by 38 percent of certain pension contributions and similar payments by MAP; and (b) under certain circumstances, by an additional amount determined by MOC;

(ii) Promptly following the Partial Redemption, Ashland will reorganize (the Restructuring) its corporate structure, effectively resulting in:

(A) the transfer to a newly formed wholly owned subsidiary of Ashland (Holdco) of (1) the remaining Ashland Interest (including the Ashland LOOP/LOCAP interests) and (2) certain other active trades or businesses (collectively, the ATB); and

(B) the transfer (via merger of Ashland with and into a newly formed wholly owned subsidiary of Holdco followed by a merger of that subsidiary with and into another newly formed wholly owned subsidiary of Holdco (Newco)) of Ashland's remaining assets and liabilities (including, but not limited to, all assets and liabilities related to Ashland's currently wholly owned businesses (other than the ATB)) and the cash and accounts receivable from the Partial Redemption to Newco;

Edgar Filing: Hyatt Hotels Corp - Form 4

(iii) Promptly following the Restructuring, (A) Holdco will contribute to Newco cash (the Cash Contribution) and, together with the amount received by Ashland in the Partial Redemption, the MOC Consideration) in an amount sufficient to repay, repurchase, defease or terminate certain of Ashland's debt and similar obligations, currently estimated at \$1.9 billion which it will raise through its incurrence of debt (the Holdco Borrowing), (B) Holdco will merge with a subsidiary of MOC (which will be a Delaware LLC) in a merger (the Merger) in which MOC's subsidiary will be the surviving entity, with \$315 million of MOC stock being issued to the former Holdco shareholders and all the capital stock of Newco being issued to the former Holdco shareholders; and

(iv) New Ashland's indemnification obligations for certain environmental losses associated with the assets Ashland transferred to MAP at the formation of the joint venture will be limited to \$50 million in the aggregate, and Ashland or New Ashland Inc. will bear certain costs of an ongoing project at the St. Paul Park refinery.

The transactions contemplated by the Partial Redemption, the Restructuring, the Holdco Borrowing, the Cash Contribution, and the Merger and related transactions, in each case as described in more detail in the transaction documents that have been provided to us, and the payment of related fees and expenses are collectively referred to as the Transaction.

L-1

Table of Contents

Reasonably Equivalent Value Test

In connection with the Transaction, MOC has requested that we render a written reasonably equivalent value opinion (the Reasonably Equivalent Value Opinion) as of the date of the public announcement of the Transaction, addressed to you, as to whether, assuming the Transaction is consummated substantially as proposed, the value of the MOC Consideration is reasonably equivalent to the combined value of the Ashland Interest and the ATB.

For purposes of this Opinion, Reasonably Equivalent Value is defined as follows: reasonably equivalent value means, with respect to the Transaction, that the MOC Consideration will constitute realizable commercial value reasonably equivalent to the aggregate realizable commercial value of the Ashland Interest and the ATB. No representation is made herein as to the sufficiency of the above definition for any purpose other than setting forth the scope of our Opinion.

In rendering our Opinion, we have valued the aggregate assets, on a consolidated and going concern basis, of each of MAP and the Ashland Interest, before consummation of the Transaction. The valuation included the aggregate assets of the business of MAP's business enterprise (total invested capital) represented by the total net working capital, tangible plant, property and equipment, and intangible assets (including goodwill) of the business enterprise before consummation of the Transaction. Our value for the Ashland Interest also considered any outstanding debt of MAP, as represented by MOC and MAP management. We believe that this is a reasonable basis on which to value each of MAP and the Ashland Interest. Nothing has come to our attention that causes us to believe that MAP is not a going concern.

Methodology

The value of the Ashland Interest for purposes of the Reasonably Equivalent Value Opinion was determined based on the generally accepted valuation principles used in the market as of the date hereof as they apply to the relevant businesses of MAP, described as follows:

Discounted Cash Flow Approach Based on the present value of MAP's future debt-free operating cash flow as estimated by the management of MAP and reflected in the financial projections prepared by MAP and furnished to us (the Financial Projections). The Present Value is determined by discounting the projected operating cash flow at a rate of return that reflects the financial and business risks of MAP.

Market Approach Based on current stock market prices of publicly held companies whose businesses are similar to those of MAP (as a going concern).

Precedent Transaction Approach Based on acquisition prices paid for total ownership positions in businesses whose lines of business are similar to those of MAP.

For purposes of the Reasonably Equivalent Value Opinion, the ATB value was established by Marathon and Ashland through arm's-length negotiations with the involvement of a third-party investment banking firm they jointly engaged. We refer to this mutually agreed valuation as the ATB Valuation . AAA has relied on the ATB Valuation, and nothing has come to our attention that suggests it is unreasonable for AAA to

rely on the ATB Valuation.

Financial Results and Projections

In connection with the analysis underlying the Opinion, we were provided historical operating results and projected operating results (the Financial Projections), as represented in the MAP 2004-2006 Business/Tactical Plan dated December 16, 2003). In addition to this information, we were provided other operating data and information, all of which has been accepted, without independent verification, as representing a fair statement of historical and projected results of MAP, in the opinion of the managements of MAP, MOC and Ashland, as applicable. However, in the course of our investigation, nothing has led us to believe that our acceptance and reliance on such operating data and information was unreasonable.

L-2

Table of Contents

Although, during the course of our engagement, we have tested the reasonableness of data provided to us (including historical financial information and the Financial Projections), we have not independently verified the accuracy of the Financial Projections, or any of the assumptions, estimates or judgments referred to therein, or the basis therefor, and although no assurances can be given that such Financial Projections and forecasts can be realized or that actual results will not vary materially from those projected, nothing has come to our attention during the course of our engagement which led us to believe that any information reviewed by us or presented to us in connection with our rendering of the Opinion is unreasonable in any material respect or that it was unreasonable for us to utilize and rely upon the Financial Projections, financial statements, assumptions, description of the business and liabilities, estimates and judgments of the managements of MAP, MOC and Ashland, and their respective counsel, accountants and financial and other advisors. Our Opinion is necessarily based on business, economic, market and other conditions as they currently exist and as they can be evaluated by us at the date of this Opinion.

Opinion Conditions and Assumptions

Our Opinion is subject to the following assumptions:

(a) The Transaction is consummated as proposed.

(b) Neither Ashland nor Newco is expected to incur any material tax liability or suffer any material adverse effect related to tax, in either case due to, arising from or in connection with the Transaction, except:

1) Ashland has advised us that, if the combined value of the Newco stock and the Marathon stock issued per share of old Ashland stock in the transaction exceeds the tax basis of the old Ashland stock (which Ashland has advised us is approximately \$55.50 per share), Newco will incur tax under Section 355(e) of the Internal Revenue Code of 1986, as amended;

2) Ashland has advised us that, for every dollar in combined value over \$55.50 per share, Newco's tax liability would be approximately \$28 million; and

3) For purposes of our analysis, we have assumed, based on input from Ashland's management, that Newco's tax liability under Section 355(e) would be approximately \$168 million, which corresponds to a combined value of \$61.50 per share (we understand that these amounts were provided to us for illustrative purposes only and that they do not necessarily represent Ashland's or Newco's views as to the prices at which Ashland stock or Newco stock will trade at any time or as to the value of Ashland or Newco at any time); and

(c) We have not been requested to identify, and have not identified, potential purchasers or to ascertain the actual prices and terms on which the Ashland Interest can currently be sold. Furthermore, because the sale of any business enterprise involves numerous assumptions and uncertainties, not all of which can be quantified or ascertained prior to engaging in an actual selling effort, we express no opinion as to whether the Ashland Interest could actually be sold for an amount we believe to be equivalent to its value.

Edgar Filing: Hyatt Hotels Corp - Form 4

In connection with our Opinion, we have made such reviews, studies, analyses and inquiries as we have deemed necessary and appropriate under the circumstances. Among other things, we have:

(1) reviewed the Transaction documents (including the Master Agreement to which MOC and Ashland are to become parties and the other Transaction Agreements (as defined in the Master Agreement) and the exhibits and schedules thereto) and SEC reporting and/or filing documents of Ashland;

(2) reviewed the Financial Projections and inquired of management of MAP as to the foundation for such projections and the basic assumptions made in the preparation of such projections relating to the type of business, geographic markets, economic conditions, and capital facilities and working capital requirements;

L-3

Table of Contents

(3) reviewed audited and unaudited historical financial statements of MAP, including income statements, balance sheets and cash flow statements, and pro forma financial statements of MAP, including income statements, balance sheets and cash flow statements, as provided by management of MAP;

(4) visited the current headquarters and selected facilities of MAP to discuss historical and projected operating results and industry data, including the impact of future trends on the industries in which MAP competes, as well as the effects of consummating the Transaction;

(5) reviewed select internal financial analyses and other internally generated financial data provided by management of MAP, MOC and/or Ashland, including asset valuations of MAP;

(6) reviewed contingent liabilities of MAP, including discussions with MAP, MOC and Ashland management;

(7) reviewed select publicly available economic, financial and market information as it relates to the business operations of MAP;

(8) reviewed select publicly available information regarding businesses similar to MAP and investigated the financial terms and post-transaction performance of recent acquisitions of businesses similar to MAP and operating in reasonably similar markets;

(9) discussed all of the foregoing information, where appropriate, with management of each of MAP, MOC and/or Ashland and certain of their respective employees and agents;

(10) met with members of the senior management of MAP to discuss the business, properties, past history, results of operations and prospects of MAP, including discussions of the competitive environment in which MAP operates and the impact of consummation of the Transaction on MAP's operations;

(11) met with members of the senior management of MAP to discuss the business, properties, past history, results of operations and prospects of MAP;

(12) discussed certain Transaction-related matters with representatives of Ashland, MAP and/or MOC and their respective financial advisors and counsel; and

(13) conducted such other studies, analyses and inquiries as we have deemed necessary for purposes of the Opinion.

Our Opinion is intended to supplement, not substitute for, any addressees' due diligence, to the extent required, in this or any related transaction.

Opinion

Based upon and subject to the foregoing, and in reliance thereon, it is our opinion as of this date that, assuming the Transaction is consummated substantially as proposed as of the Effective Date, the MOC Consideration represents reasonably equivalent value for the combined value of the Ashland Interest and the ATB

It is understood that this Opinion is solely for the information of the above mentioned addressees and their successors and assigns, and is not to be publicly quoted, or referred to, in whole or in part, in any written document other than (i) the filing and disclosing of the Opinion in any report or other document filed with the Securities and Exchange Commission (the SEC) and any state securities commission or blue sky authority, or other governmental authority or agency, if such filing or disclosure is required pursuant to the rules and regulations thereof, or required by any applicable law, rule or regulation, or any stock exchange rule; (ii) the use or disclosure of the Opinion upon the demand, order or request of any court, administrative or governmental agency or regulatory body (whether or not such demand, order or request has the force of law) or as may be required or appropriate in response to any summons, subpoena or discovery requests; (iii) the disclosure of this Opinion in connection with (a) the Transaction; or (b) an audit of MOC by an independent public accountant or

L-4

Table of Contents

any administrative agency or regulatory body; or (iv) the provision of copies of, or any other disclosure of, this Opinion in connection with the exercise of any right or remedy, the defense of any claim in any litigation, or any governmental proceeding or investigation to which MOC is subject or purported to be subject; (v) the disclosure of the Opinion as may be requested, required or ordered in, or to protect MOC's interest in, any litigation, governmental proceeding or investigation; or (vi) the disclosure of the Opinion as otherwise required by, or as reasonably determined by MOC to be required by, any applicable law, order, regulation or ruling.

Very truly yours,

AMERICAN APPRAISAL ASSOCIATES, INC.

Lee P. Hackett

Executive Vice President

/lnm

L-5

Table of Contents

Annex M

Opinion of Houlihan Lokey Howard & Zukin

March 18, 2004

The Board of Directors

Ashland Inc.

50 East River Center Blvd.

Covington, KY 41012

The Board of Directors

New EXM Inc.

50 East River Center Blvd.

Covington, KY 41012

Dear Directors:

We understand that currently Marathon Oil Corporation (Marathon) owns a 62 percent membership interest in Marathon Ashland Petroleum LLC (MAP) and Ashland Inc. (sometimes referred to herein as Ashland or the Company) owns a 38 percent membership interest in MAP (the Ashland Interest). We also understand that under the proposed terms of the Transaction (as defined below):

(i) MAP will redeem a portion of the Ashland Interest for an amount equal to \$2.694 billion minus the amount of the HoldCo Borrowing (as defined below) (the net amount is referred to herein as the Partial Partnership Redemption Amount), consisting of cash and a distribution of MAP accounts receivable (the Partial Partnership Redemption Transaction). MAP will not make its normal quarterly distributions to Ashland and Marathon prior to the closing. As a result, the Partial Partnership Redemption Amount will be increased by 38 percent of the cash accumulated from operations prior to the closing of the Transaction. The Partial Partnership Redemption Amount may also be increased by 38 percent of certain pension contributions and similar payments by MAP in excess of specified thresholds. The Partial Partnership Redemption Amount is currently estimated by Ashland to be \$700 million to \$1.2 billion. In addition, if Marathon determines that the sum of the Partial Partnership Redemption Amount and the amount of the HoldCo Borrowing is not reasonably equivalent to the aggregate value of the Ashland Interest and the ATB (as defined below), Marathon may direct MAP to increase the Partial Partnership Redemption Amount.

Edgar Filing: Hyatt Hotels Corp - Form 4

(ii) Promptly following the Partial Partnership Redemption Transaction, Ashland will reorganize (the Restructuring Transaction) its corporate structure, effectively resulting in:

(A) the transfer to a newly formed wholly owned subsidiary of Ashland (HoldCo) of (1) certain active trades or businesses comprised of Ashland s maleic anhydride business and 61 Venezuela Instant Oil Change centers (collectively, the ATB) and (2) the remaining Ashland Interest (including the Ashland LOOP/LOCAP interests); and

(B) the transfer (via merger of Ashland with and into a newly formed wholly owned subsidiary of HoldCo (New Ashland LLC)) of Ashland s remaining assets and liabilities (including, but not limited to, all assets and liabilities related to Ashland s currently wholly owned businesses (other than the ATB)) and the approximate \$700 million to \$1.2 billion in cash and accounts receivable from the Partial Partnership Redemption Transaction to New Ashland LLC (the Reorganization Merger).

Atlanta 3475 Piedmont Road, Suite 950 Atlanta, Georgia 30305 tel.404.495.7000 fax.404.495.9545

Los Angeles New York Chicago San Francisco Washington, D.C. Minneapolis Dallas London

Investment advisory services through Houlihan Lokey Howard & Zukin Financial Advisors.

M-1

Table of Contents

(iii) Promptly following the Restructuring Transaction, (A) HoldCo will contribute to New Ashland LLC cash, which HoldCo will borrow from third-party lenders (the HoldCo Borrowing), in an amount, determined in good faith by Ashland, that is sufficient to repay, repurchase, defease or terminate certain of Ashland's outstanding debt obligations and lease obligations and (B) New Ashland LLC will merge with and into New EXM Inc., a newly formed wholly owned subsidiary of HoldCo, (sometimes referred to herein as New Ashland) (the Conversion Merger).

(iv) HoldCo will then merge with and into a subsidiary of Marathon (which will be a Delaware limited liability company) with \$315 million of Marathon common stock being issued to the former Ashland shareholders and all of the capital stock of New Ashland being issued to the former Ashland shareholders (the Acquisition Merger).

(v) Ashland or New Ashland will bear the cost of the St. Paul Park QQQ Project (as defined in the Master Agreement (as defined below)) not to exceed \$9,670,000 (if the closing of the Transaction occurs on or prior to December 31, 2004) or an amount equal to the Price Reduction (as defined in Amendment No. 1 to the Put/Call, Registration Rights and Standstill Agreement dated December 12, 1997 between Ashland, Marathon and the other parties thereto) if the closing of the Transaction occurs after December 31, 2004, in either case reduced by certain amounts previously paid by Ashland. New Ashland's indemnification obligations for certain environmental losses associated with the assets Ashland transferred to MAP at the formation of the joint venture will be limited to \$50 million in the aggregate.

The Partial Partnership Redemption Transaction, Restructuring Transaction, HoldCo Borrowing, Conversion Merger, Acquisition Merger and related transactions disclosed to Houlihan Lokey Howard & Zukin Financial Advisors, Inc. (Houlihan Lokey) are referred to collectively herein as the Transaction.

You have requested our written opinion (the Opinion) as to the matters set forth below. This Opinion values New Ashland on a consolidated basis and as a going-concern (including goodwill), on a pro forma basis, immediately after and giving effect to the Transaction. For purposes of this Opinion, fair value shall be defined as the amount at which New Ashland's aggregate assets would change hands between a willing buyer and a willing seller, each having reasonable knowledge of the relevant facts, neither being under any compulsion to act, with equity to both; and present fair saleable value shall be defined as the amount that may be realized if New Ashland's aggregate assets (including goodwill) are sold with reasonable promptness in an arm's length transaction under present conditions for the sale of comparable business enterprises, as such conditions can be reasonably evaluated by Houlihan Lokey. We have used the same valuation methodologies in determining fair value and present fair saleable value for purposes of rendering this Opinion. The term identified contingent liabilities shall mean the stated amount of contingent liabilities identified to us and valued by responsible officers of the Company, upon whom we have relied without independent verification; no other contingent liabilities have been considered. The term probable liabilities as they become absolute and mature shall mean stated liabilities and identified contingent liabilities, considering the probability that such identified contingent liabilities will be imposed and, if so, in what amount, as such liabilities are identified to us and quantified and valued by responsible officers of the Company, and as such probabilities are determined by such officers, upon whom we have relied without independent verification; no other liabilities will be considered. Being able to pay its debts as they become due or mature shall mean that, assuming the Transaction has been consummated as proposed, New Ashland should be able to pay its debts and other liabilities (as identified, projected, and valued to us by responsible officers of the Company, upon whom we have relied without independent verification), including identified contingent liabilities, during the period covered by the Projections (as defined below), taking into consideration New Ashland's projected cash flow during such period, New Ashland's available cash (including cash proceeds of the Transaction to the extent such proceeds are not used to repurchase, repay or defease existing debt) and the stated borrowing capacity of New Ashland under the Revolving Credit Facilities (as defined below) proposed to be in place upon consummation of the Transaction. It is Houlihan Lokey's understanding, upon which it is relying, that the Board of Directors of the Company and New Ashland and any other recipient of this Opinion will consult with and rely solely upon their own legal counsel with respect to said definitions. No representation is made herein, or directly or indirectly by this Opinion, as to any legal matter or as

Table of Contents

to the sufficiency of said definitions for any purpose other than setting forth the scope of Houlihan Lokey's Opinion hereunder.

Notwithstanding the use of the defined terms "fair value" and "present fair saleable value," we have not been engaged to identify prospective purchasers or to ascertain the actual prices at which and terms on which New Ashland can currently be sold, and we know of no such efforts by others. Because the sale of any business enterprise involves numerous assumptions and uncertainties, not all of which can be quantified or ascertained prior to engaging in an actual selling effort, we express no opinion as to whether New Ashland would actually be sold for the amount we believe to be its fair value and present fair saleable value.

In connection with this Opinion, we have made such reviews, analyses and inquiries as we have deemed necessary and appropriate under the circumstances. Among other things, we have:

1. reviewed the Company's annual reports to shareholders and on Form 10-K for the three fiscal years ended September 30, 2003 and quarterly reports on Form 10-Q for the quarter ended December 31, 2003 and the three quarters ended June 30, 2003, and Company-prepared financial statements for the Company and each of its primary businesses except for MAP (i.e., APAC, Specialty Chemical, Valvoline, Distribution, and Corporate) for the three fiscal years ended September 30, 2003 and the quarters ended December 31, 2002 and 2003, which the Company's management has identified as the most current information available;

2. reviewed copies of the following agreements:

a. March 11, 2004 draft of the Master Agreement among Argentina Inc., HoldCo Inc., New Argentina LLC, New Argentina Inc., Mexico Corporation, Mexico Company, Merger Sub LLC, and Miami LLC (the "Master Agreement");

b. March 10, 2004 draft of the Assignment and Assumption Agreement (Maleic Business) between Argentina Inc. and HoldCo Inc.;

c. March 11, 2004 draft of the Assignment and Assumption Agreement (VIOC Centers) between Argentina Inc. and HoldCo Inc.;

d. March 10, 2004 draft of the Tax Matters Agreement among Argentina Inc., HoldCo, New Argentina LLC, New Argentina Inc., Mexico Company, Mexico Corporation, Miami and Merger Sub LLC; and

e. March 10, 2004 draft of Amendment No. 2 to the Amended and Restated Limited Liability Company Agreement dated as of December 31, 1998 of Mexico Argentina Petroleum LLC, by and between Argentina Inc. and Mexico Oil Company;

3. reviewed copies of the following term sheets and commitment letters (collectively, the "Revolving Credit Facilities"):

Edgar Filing: Hyatt Hotels Corp - Form 4

- a. Term Sheet for the \$100,000,000 364-Day Credit Facility;

- b. Term Sheet for the \$250,000,000 3-Year Credit Facility;

- c. 364-Day Credit Facility Commitment Letter dated February 19, 2004, from The Bank of Nova Scotia; and

- d. 3-Year Credit Facility Commitment Letter dated February 19, 2004, from The Bank of Nova Scotia;

- 4. spoken with certain members of the senior management of the Company regarding the operations, financial condition, liabilities (including contingent liabilities), insurance, future prospects and projected operations and performance of the Company and New Ashland and the Transaction;

M-3

Table of Contents

5. reviewed the report entitled TECHNICAL REPORT: Estimating Pending and Future Asbestos Personal Injury Liabilities of Ashland Inc. dated June 18, 2003 and revisions to this report dated October 2, 2003 prepared by Hamilton, Rabinovitz & Alschuler, Inc. (HR&A);

6. spoken with a representative from HR&A regarding their forecasts and valuations of the Company s asbestos-related liabilities;

7. reviewed the following reports prepared by Tillinghast-Towers Perrin (TTP): Ashland Inc. Allocation of Asbestos Losses to Policy Year dated January 17, 2003; Analysis of Potential Asbestos Related Liabilities Recovered from Ashland Insurers dated July 23, 2003 and updated on October 10, 2003 as well as certain sensitivity analyses prepared on or about March 8, 2004 by TTP;

8. spoken with a representative from TTP regarding TTP s forecasts of the Company s insurance recoveries associated with asbestos-related claims;

9. reviewed the report entitled Ashland Inc. Summary of Exposures as of September 30, 2003 and December 31, 2003;

10. visited certain facilities and business offices of the Company;

11. reviewed forecasts and projections prepared by the Company s management with respect to New Ashland for the five fiscal years ended September 30, 2008 as contained in the document entitled Project World Cup Lite dated February 9, 2004 and revised through March 15, 2004 (the Projections);

12. reviewed quarterly budgets for the Company and each of its primary businesses except for MAP for the fiscal year ending September 30, 2004;

13. reviewed the historical market prices and trading volume for the Company s publicly traded securities;

14. reviewed various securities analysts reports regarding the Company;

15. reviewed other publicly available financial data for the Company and certain companies that we deem comparable to New Ashland and its operating businesses; and

16. conducted such other studies, analyses and investigations as we have deemed appropriate.

Edgar Filing: Hyatt Hotels Corp - Form 4

We have relied upon and assumed (and we will be relying upon and assuming), without independent verification, that:

the data, material and other information (including, without limitation, any pension liability, asbestos-related liability, environmental liability and insurance evaluations, estimates or reports prepared by or at the direction of the Company or its legal counsel), with respect to the Company, its subsidiaries, New Ashland, or any of their respective business operations furnished to Houlihan Lokey by or on behalf of the Company and New Ashland and each of its agents, counsel, employees and representatives (the Information) is true, correct and complete in all material respects;

the representations and warranties of the Company made to Houlihan Lokey in the Engagement Letter (as hereinafter defined) are true, correct and complete in all material respects;

the Projections have been reasonably prepared and reflect the best currently available estimates of the future financial results and condition of New Ashland, and that there has been no material adverse change in the assets, financial condition, business or prospects of New Ashland since the date of the most recent financial statements made available to us;

the pro forma opening balance sheet for New Ashland provided to us has been reasonably prepared and reflects the best currently available estimate of New Ashland's balance sheet immediately after the Transaction and including the repayment of all of the Company's debt and leases;

M-4

Table of Contents

the forecasts and projections provided to us regarding the Company's and New Ashland's contingent liabilities and insurance for such liabilities (including sensitivity analyses) have been reasonably prepared and reflect the best currently available estimates of the future timing and amount of such liabilities and insurance recoveries, and that there has been no material adverse change in these liabilities and insurance coverage since the date of the most recent financial statements made available to us;

neither the Company nor New Ashland will incur any material tax liability or suffer any material adverse effect related to tax, in either case due to, arising from or in connection with the Transaction; provided, however, that at Ashland's request, for the purpose of our analyses, we have assumed a maximum tax liability of \$168 million under Section 355(e) of the Internal Revenue Code of 1986, as amended, for New Ashland arising from, or in connection with, the Transaction. We have done so for purposes of our analysis and solely at your request, but with your agreement and understanding that Houlihan Lokey expresses no opinion or view on the sufficiency or reasonableness of said assumption. Ashland has represented to us that the \$168 million maximum tax liability assumption is for illustrative purposes only and does not represent Ashland's or New Ashland's views as to the prices at which Ashland stock or New Ashland stock will trade at any time or as to the value of Ashland or New Ashland at any time;

concurrent with the closing of the Transaction, the Company will have redeemed all of its debt obligations and paid off all of its lease obligations on terms and prices no less favorable, taken as a whole, than those provided to us in the Projections;

the final Transaction documents will be executed in form and substance substantially similar to the most recent drafts of such documents reviewed by Houlihan Lokey;

New Ashland will receive proceeds of \$2.694 billion in cash and accounts receivable from the Transaction; and

New Ashland will have the full amount (i.e., \$350 million) of the Revolving Credit Facilities on or before the closing of the Transaction and that the Revolving Credit Facilities will be refinanced in full, as needed, through September 30, 2008 having material terms and conditions which, when taken as a whole, would provide New Ashland with credit or borrowing availability in an amount not less than the maximum amount of the Revolving Credit Facilities at any particular time through September 30, 2008, which assumptions are incorporated in the Projections provided to us by management.

We have not independently investigated or verified the accuracy or completeness of the Information and we assume no responsibility with respect to the accuracy and completeness of the Information. We have not made any physical inspection or independent appraisal of any of the properties, assets or liabilities (including the identified contingent liabilities) of the Company or New Ashland. Our opinion is necessarily based on business, economic, market and other conditions as they exist and that can be evaluated by us at the date of this letter.

Based upon the foregoing, and in reliance thereon, it is our opinion as of the date of this letter that, assuming the Transaction had been consummated as proposed, immediately after and giving effect to the Transaction and on a pro forma basis:

- (a) the fair value of New Ashland's assets would exceed its stated liabilities and identified contingent liabilities;
- (b) the present fair saleable value of New Ashland's assets would exceed its probable liabilities as they become absolute and mature;
- (c) New Ashland should be able to pay its debts as they become due or mature; and

Edgar Filing: Hyatt Hotels Corp - Form 4

(d) the capital remaining in New Ashland after the Transaction would not be unreasonably small for the business in which New Ashland would be engaged, as management of the Company has indicated it is now conducted and is proposed to be conducted following the consummation of the Transaction.

M-5

Table of Contents

Any summary of, or reference to, or disclosure of, this opinion is subject to the terms and conditions set forth in our engagement letter (the Engagement Letter) dated January 28, 2004 with Ashland Inc. and that certain letter agreement (Letter) dated March 16, 2004 among Houlihan Lokey, Ashland Inc. and New EXM Inc. This Opinion is necessarily based on the business, economic, market and other conditions as they exist and can be evaluated by us as of the date of this Opinion. Subsequent events that could affect the conclusions set forth in this opinion include adverse changes in industry performance or market conditions and changes to the business, financial condition and results of operations of the Company and New Ashland. Houlihan Lokey is under no obligation to update, revise or reaffirm this Opinion.

This Opinion is furnished solely for your benefit and may not be relied upon by any other person without our express, prior written consent. This Opinion is delivered to the Board of Directors of Ashland Inc. and New EXM Inc. subject to the conditions, scope of engagement, limitations and understandings set forth in this Opinion, the Engagement Letter and the Letter, and subject to the understanding that the obligations of Houlihan Lokey in the Transaction are solely corporate obligations, and no officer, director, employee, agent, shareholder or controlling person of Houlihan Lokey shall be subjected to any personal liability whatsoever to any person, nor will any such claim be asserted by or on behalf of you or your respective affiliates.

HOULIHAN LOKEY HOWARD & ZUKIN FINANCIAL ADVISORS, INC.

M-6

Table of Contents

Annex N

Certificate of Incorporation

of

ATB Holdings Inc.

The undersigned, a natural person, for the purpose of organizing a corporation for conducting the business and promoting the purposes hereinafter stated, under the provisions and subject to the requirements of the laws of the State of Delaware (particularly Chapter 1, Title 8 of the Delaware Code and acts amendatory thereof and supplemental thereto, and known, as identified, and referred to as the General Corporation Law of the State of Delaware), hereby certifies that:

FIRST: The name of the corporation (hereinafter called the Corporation) is ATB Holdings Inc.

SECOND: The address, including street, number, city, and county, of the registered office of the Corporation in the State of Delaware is Corporation Trust Center, 1209 Orange Street, City of Wilmington, Delaware 19801, County of New Castle. The name of the registered agent at that address is The Corporation Trust Company.

THIRD: The purpose of this Corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of the State of Delaware.

FOURTH: There shall be one class of shares, designated common stock with a par value of \$1.00. The total number of shares which this Corporation is authorized to issue is 300,000,000 shares.

FIFTH: The name and address of the incorporator are as follows:

Elizabeth A. Morgan

Cravath, Swaine & Moore LLP

Worldwide Plaza

825 Eighth Avenue

Edgar Filing: Hyatt Hotels Corp - Form 4

New York, NY 10019

SIXTH: In furtherance and not in limitation of the powers conferred upon it by law, the Board of Directors of the Corporation is expressly authorized to make, adopt, amend, alter or repeal By-laws of the Corporation.

SEVENTH: To the fullest extent permitted by the General Corporation Law of the State of Delaware as it now exists and as it may hereafter be amended, no director shall be personally liable to the Corporation or any of its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of the law, (iii) pursuant to Section 174 of the General Corporation Law of the State of Delaware or (iv) for any transaction from which the director derived an improper personal benefit. Any repeal or modification of this Article SEVENTH shall not adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or modification with respect to acts or omissions occurring prior to such repeal or modification.

EIGHTH: The Corporation shall, to the fullest extent permitted by the provisions of Section 145 of the General Corporation Law of the State of Delaware, as the same may be amended and supplemented, indemnify any person who was or is a party or is threatened to be made a 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 the Corporation) by reason of the fact that such person is or was a director, officer or agent of the

N-1

Table of Contents

Corporation from and against any and all of the expenses, liabilities, or other matters referred to in or covered in said Section, and the indemnification provided for herein shall not be deemed exclusive of any other rights to which those indemnified persons may be entitled under any By-law, agreement, vote of stockholders or disinterested directors or otherwise and shall continue as to a person who has ceased to be a director, officer or agent of the Corporation and shall inure to the benefit of the heirs, executors, and administrators of such person. Any repeal or modification of this Article EIGHTH shall not adversely affect any right to indemnification of any persons existing at the time such repeal or modification with respect to any matter occurring prior to such repeal or modification.

NINTH: Unless and except to the extent that the By-laws of the Corporation shall so require, the election of directors of the Corporation need not be by written ballot.

THE UNDERSIGNED, the sole incorporator of the Corporation, hereby certifies under the penalty of perjury that the facts stated in this certificate of incorporation are true as of this /●/ day of March, 2004.

Elizabeth A. Morgan
Incorporator

N-2

Table of Contents

Annex O

BY-LAWS

OF

ATB HOLDINGS INC.

INCORPORATED UNDER THE LAWS

OF THE STATE

OF

DELAWARE

Table of Contents

ARTICLE I

MEETING OF STOCKHOLDERS

SECTION 1.

Annual Meeting

(A) Holding of annual meeting.

A meeting of the stockholders of the Corporation shall be held annually at the hour of 10:30 a.m. on the last Thursday of January, or if such day is a legal holiday then at the same hour on the next succeeding Thursday which is not a legal holiday, or at such other time and place, and at such place within or without the State, as may be fixed by the Board of Directors, for the purpose of electing directors and for the transaction of all other business that is brought before the meeting. Such meeting duly convened may be adjourned from time to time.

(B) Notice of annual meeting.

At least ten (10) days but not more than sixty (60) days prior to the day designated pursuant to Clause (A) of Section 1 of this Article for the holding of any annual meeting of stockholders, written notice of the time and place of such meeting shall be delivered personally or by mail to each stockholder entitled to vote at such meeting.

SECTION 2.

Delayed Annual Meeting

(A) Holding of delayed annual meeting.

If for any reason the annual meeting of the stockholders shall not be held on the day designated by Clause (A) of Section 1 of this Article, or on any subsequent day to which it shall have been duly adjourned, such meeting may be called and held as a special meeting, and the same proceedings may be had and the same business may be transacted at such meeting as at any annual meeting.

(B) Notice of delayed annual meeting.

Notice of a delayed annual meeting shall be given in the same manner as required by Clause (B) of Section 1 of this Article to be given for the annual meeting.

SECTION 3.

Special Meetings

(A) Holding of special meeting.

A special meeting of the stockholders may be called at any time by the Chairman of the Board of Directors, if there be one, by the President, or by a majority of the Board of Directors.

(B) Notice of special meeting.

At least ten (10) days prior to the date designated for the holding of any special meeting of the stockholders, written notice of the time, place and purpose of such meeting shall be delivered personally or by mail to each stockholder entitled to vote at such meeting.

Table of Contents

SECTION 4.

Notice of Meetings

(A) Service of notice.

A notice of meeting shall be deemed duly served when deposited in the United States Mail with postage fully paid or delivered personally to each stockholder and plainly addressed to the stockholder at his/her latest address appearing upon the stock books of the Corporation.

(B) Waiver of notice.

Notice of the time, place, and purpose of any meeting of the stockholders may be waived by an instrument in writing.

Anything in these By-laws to the contrary notwithstanding, a special meeting of stockholders shall be deemed duly called if notice of the time, place and purpose of such meeting shall have been waived by stockholders entitled to vote ninety percent (90%) of the outstanding stock entitled to vote, and if notice of the time, place and purpose of such meeting shall have been served by personal delivery or by telegram at least two (2) days prior to the date designated for the holding of such meeting on the remaining stockholders entitled to vote who shall not have waived notice.

SECTION 5.

Quorum

At any meeting of the stockholders, the holders of a majority of the issued and outstanding stock entitled to vote at such meeting, present in person, or represented by proxy, shall constitute a quorum for all purposes.

SECTION 6.

Voting

Edgar Filing: Hyatt Hotels Corp - Form 4

(A) *Inspectors.*

At any meeting of the stockholders, if the chairman of the meeting so directs or if any stockholder present so requests, the polls shall be opened and closed, the proxies and ballots shall be received and taken in charge, and all questions with respect to the qualifications of voters, the validity of proxies, and the acceptance or rejection of votes, shall be decided by three inspectors to be appointed by the chairman of the meeting.

(B) *Eligibility to vote.*

Each stockholder shall have one vote for each share of stock entitled to vote as provided in the Certificate of Incorporation or otherwise by law and registered in his/her name on the books of the Corporation.

(C) *Methods of voting.*

At any meeting of the stockholders each stockholder shall be entitled to vote either in person or by proxy appointed by instrument in writing subscribed by such stockholder, or by his/her duly authorized attorney, and delivered to the Secretary or to the inspectors at the meeting.

O-3

Table of Contents

(D) Fixing record date for the determination of stockholders entitled to vote.

The Board of Directors may designate, but shall not be required to designate, in advance, a date, not exceeding twenty (20) days preceding the date of any meeting of stockholders, or the date for the payment of any dividends, or the date for the allotment of rights, or the date when any change, conversion or exchange of capital stock shall go into effect, as a record date for the determination of the stockholders entitled to notice of, and to vote at, any such meeting, or entitled to receive payment of any such dividends, or any such allotment of rights, or to exercise the rights with respect to any such change, conversion or exchange of capital stock, and if such a date is so designated only stockholders of record on such date shall be entitled to such notice of, and to vote at, such meeting, or to receive payment of such dividends, or allotment of rights, or exercise of such rights, as the case may be, notwithstanding any transfer of any stock on the books of the Corporation after any such record date designated as aforesaid.

SECTION 7.

Action by Written Consent

Unless otherwise provided in the certificate of incorporation, any action required to be taken at any annual or special meeting of stockholders of the corporation, or any action which may be taken at any annual or special meeting of such stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. Prompt notice of the taking of the corporate action without a meeting by less than the unanimous written consent shall be given to those stockholders who have not consented in writing.

ARTICLE II

MEETINGS OF THE BOARD OF DIRECTORS

SECTION 1.

Annual Meeting

At the place of holding the annual meeting of the stockholders, and immediately following the same, the Board of Directors, as constituted upon final adjournment of such annual meeting, shall convene without further notice for the purpose of electing officers and transacting all other business properly brought before it.

SECTION 2.

Regular Meetings

Regular meetings of the Board of Directors shall be held at such places, either within or without the State of Incorporation of the Corporation and at such times as the Board may from time to time determine. If so determined by a quorum of the Board, no advance notice of such meetings need be given.

SECTION 3.

Special Meetings

Special meetings of the Board of Directors may be held at any time and place whenever called by the Chairman of the Board of Directors, if there be one, by the President, by the Treasurer, by the Secretary, or by any three or more directors. If so determined by a quorum of the Board, no advance notice of such meetings need be given.

Table of Contents

SECTION 4.

Notice of Meetings

(A) Notice required.

In the absence of a determination by a quorum of the Board of Directors that no advance notice need be given, then, at least two (2) days prior to the day of holding any regular or special meeting of the Board, notice of the time, place and purpose of such meeting shall be delivered personally or by mail, telegram, telephone or facsimile, upon each member of the Board.

(B) Waiver of notice.

Notice of the time, place and purpose of any meeting of the Board of Directors may be waived by instrument in writing or by telegram or facsimile.

SECTION 5.

Quorum

A majority of the Board of Directors shall constitute a quorum for all purposes and at all meetings.

ARTICLE III

BOARD OF DIRECTORS

SECTION 1.

Number of Members

Edgar Filing: Hyatt Hotels Corp - Form 4

The number of directors of the Corporation shall be not less than one nor more than twenty as determined by the Board of Directors from time to time.

SECTION 2.

Term of Office

Each director shall hold office until the next succeeding annual meeting and until his/her successor is duly elected and qualified; *provided, however,* that any director may be removed from office, with or without cause, at any time by a majority vote of the stockholders entitled to vote.

SECTION 3.

General Powers

The business, property and affairs of the Corporation shall be managed by or under the direction of the Board of Directors. In the management and control of the property, business and affairs of the Corporation, the Board is hereby vested with all powers possessed by the Corporation itself insofar as this delegation of authority is not inconsistent with or repugnant to the laws of the State of Delaware, or these By-laws or any amendments of them. The Board shall have discretionary power to determine what constitutes net earnings, profits and surplus, what amount shall be reserved for working capital and for any other purposes, and what amount shall be declared as dividends. Such determination by the Board shall be final and conclusive.

O-5

Table of Contents

SECTION 4.

Specific Powers

(A) Power to make and amend By-laws.

Subject to the limitations contained in Article IX hereof, the Board of Directors shall have power to make, alter, amend and repeal any By-laws, including a By-law designating the number of directors, provided that the Board shall not make, alter, amend or repeal any By-laws designating the qualification or term of office of any member or members of the then existing Board.

(B) Power to elect officers.

The Board of Directors shall elect all officers of the Corporation.

(C) Power to remove officers.

Any officer, any agent of the Board of Directors, or any member of any committee may be removed by the Board of Directors with or without cause, whenever in its sole judgment the interests of the Corporation will be served by such removal.

(D) Power to fill vacancies.

Vacancies in the Board of Directors, including directorships to be filled by reason of an increase in the number of directors, shall be filled by appointment made by a majority of the directors then in office. The Board shall have power to fill any vacancy in any office.

SECTION 5.

Delegation of Powers

The Board of Directors may delegate from time to time to an officer or committee any duties that are authorized or required to be executed during the intervals between meetings of the Board (other than delegation of the power and authority to declare a dividend or other distribution

Edgar Filing: Hyatt Hotels Corp - Form 4

with respect to the capital stock of the Corporation), and such officer and committee shall report to the Board when and as required by the Board.

SECTION 6.

Designation of Depositories

The Board of Directors shall designate the trust company or trust companies, or the bank or banks, in which shall be deposited the moneys and securities of the Corporation.

SECTION 7.

Action by Written Unanimous Consent

Unless otherwise restricted by the Certificate of Incorporation or these By-laws, any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting, without prior notice, if all members of the Board consent thereto in writing, the writing or writings to be filed with the minutes of proceedings of the Board.

Table of Contents

SECTION 8.

Action by Telephone Conference

Unless otherwise restricted by the Certificate of Incorporation or these By-laws, members of the Board of Directors may participate in a meeting of the Board of Directors by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at the meeting.

ARTICLE IV

OFFICERS

SECTION 1.

Enumeration of Officers

The officers of the Corporation shall be a President; one or more Vice-Presidents; a Treasurer; a Secretary; and such other officers as from time to time shall be designated and elected by the Board of Directors.

SECTION 2.

Election and Removal of Officers

All officers of the Corporation shall be elected at the first meeting of the Board of Directors after the annual election of directors, and shall hold office for one (1) year and until their respective successors shall have been duly selected and qualified; *provided, however,* that all officers, agents, and employees of the Corporation shall be subject to removal at any time, with or without cause, by the affirmative vote of a majority of the Board. At its discretion, the Board may leave unfilled, for such period as it may deem proper, any office except that of President, Treasurer and Secretary. Failure to elect any such officer shall be considered an exercise of this discretionary power.

SECTION 3.

Duties of Officers

(A) *President.*

The President shall have general charge and supervision of the business of the Corporation and shall have all powers and shall perform all duties commonly incident to and vested in the office of President of a corporation. The President shall preside at all meetings of the stockholders and of the Board of Directors. The President shall also perform such other duties as the Board shall designate from time to time.

(B) *Vice-President.*

A Vice-President shall perform the duties and have the powers of the President during the absence or disability of the President, and shall perform such other duties and have such other powers as the Board of Directors or the President shall designate from time to time.

(C) *Treasurer.*

The Treasurer shall have the care and custody of the funds of the Corporation, and shall have and exercise, under the supervision of the Board of Directors, all powers and duties commonly incident to the office of the

Table of Contents

Treasurer. The Treasurer shall (i) deposit all funds of the Corporation in such trust company or trust companies, or bank or banks, as the Board shall designate from time to time, (ii) endorse for deposit or collection all checks, notes, and drafts payable to the Corporation or to its order, and make drafts on behalf of the Corporation, (iii) keep accurate books of accounts of the Corporation's transactions, which books shall be the property of the Corporation, and, together with all its property in his/her possession, shall be subject at all times to the inspection and control of the Board, (iv) keep the Corporation's stock book, stock ledger and stock transfer book, and shall prepare, issue, record, transfer and cancel certificates of stock as required by the proper transactions of the Corporation and of its stockholders, (v) have all powers and perform all duties commonly incident to and vested in the office of Treasurer of a corporation and (vi) have such other duties as the Board may designate from time to time.

(D) Secretary.

The Secretary shall attend all meetings of the stockholders and of the Board of Directors, and shall keep and preserve in books of the Corporation true minutes of the proceedings of all such meetings. He/She shall have the custody of all valuable papers and documents of the Corporation. The Secretary shall (i) keep in his/her custody the seal of the Corporation, and shall have authority to affix same to all instruments where its use is required, (ii) give all notices required by statute, by the Certificate of Incorporation, or by the By-laws, (iii) have all powers and shall perform all duties commonly incident to and vested in the office of Secretary of a corporation and (iv) perform such other duties as the Board shall designate from time to time.

ARTICLE V

STOCK

SECTION 1.

Form of Stock Certificate

Each holder of stock of the Corporation shall be entitled to a stock certificate signed by the President or a vice-president, and also by the Treasurer or an assistant treasurer, or by the Secretary or an assistant secretary. The certificates of shares shall be in such form as shall be prescribed by the Board of Directors.

SECTION 2.

Loss of Stock Certificate

Edgar Filing: Hyatt Hotels Corp - Form 4

In the case of loss, mutilation, or destruction of an issued and outstanding certificate of stock, a duplicate certificate may be issued upon such terms as the Board of Directors may prescribe.

SECTION 3.

Transfer of Shares of Stock

Shares of stock of the Corporation shall be transferred on the books of the Corporation only by the holder of such shares in person or by his/her attorney upon surrender and cancellation of a certificate or of certificates for an equivalent number of shares.

O-8

Table of Contents

ARTICLE VI

EXECUTION OF INSTRUMENTS

SECTION 1.

Checks and Drafts

All checks, drafts and orders for payment of moneys shall be signed in the name of the Corporation, and on its behalf, by such officers or agents as the Board of Directors shall designate from time to time.

SECTION 2.

Contracts and Conveyances

When the execution of any contract, conveyance or other instrument has been authorized by the Board of Directors without specification as to the executing officer, the President, a Vice-President, the Treasurer or the Secretary may execute the same in the name and on behalf of the Corporation, and the Secretary may affix the corporate seal thereto.

SECTION 3.

In General

The Board of Directors shall have the power to designate officers and agents who shall have authority to execute any instrument on behalf of the Corporation.

ARTICLE VII

VOTING UPON STOCK HELD BY THE CORPORATION

Edgar Filing: Hyatt Hotels Corp - Form 4

Unless otherwise ordered by the Board of Directors, the President, any Vice-President, the Treasurer and the Secretary shall have full power and authority on behalf of the Corporation to attend, to act at, to sign documents (any contract, conveyance, proxy or other instrument relating to stock held by the Corporation) at and to vote at any meeting of stockholders of any corporation in which this Corporation may hold stock, and at any such meeting shall possess, and may exercise all rights and powers incident to the ownership of, such stock which any owner thereof might have possessed and exercised if present. The Board, by resolution, from time to time, may confer like powers upon any other person or persons.

ARTICLE VIII

FISCAL YEAR

The fiscal year of the Corporation shall be fixed by the Board of Directors.

O-9

Table of Contents

ARTICLE IX

AMENDMENT OF BY-LAWS

These By-laws may be amended, altered, changed, added to or repealed at any annual meeting of the stockholders, without advance notice, or at any special meeting of the stockholders if notice of the proposed amendment, alteration, change, addition or repeal be contained in the notice of the special meeting, or by the Board of Directors at any regular or special meeting of the Board if notice of the proposed amendment, alteration, change, addition or repeal be contained in the notice of such meeting of the Board; *provided, however*, that action taken by the stockholders intended to supersede action taken by the Board in making, amending, altering, changing, adding to or repealing any By-laws shall supersede prior action of the Board to the extent indicated in the statement, if any, of the stockholders accompanying such action of the stockholders.

O-10

Table of Contents

c/o National City Bank
 Corporate Trust Operations
 Locator 5352
 P.O. Box 92301
 Cleveland, OH 44193-0900

VOTE BY TELEPHONE

Have your proxy card available and call **Toll-Free 1-800- -** using a touch-tone phone. You will be prompted to enter your control number, which acts as your electronic signature, and then follow the simple prompts that will be presented to you to record your vote.

VOTE BY INTERNET

Have your proxy card available when you access the website **www.** . You will be prompted to enter your control number, which acts as your electronic signature, and then follow the simple prompts that will be presented to you to record your vote.

VOTE BY MAIL

Please mark, sign and date your proxy card and return it in the **postage-paid envelope** provided or return it to: Corporate Election Services, P.O. Box 1150, Pittsburgh PA 15230-1150.

Vote by Telephone

Call Toll-Free using a touch-tone telephone:
1-800- -

Vote by Internet

Access the Website and cast your vote:
www.

Vote by Mail

Return your proxy in the postage-paid envelope provided

Vote 24 hours a day, 7 days a week!

If you vote by telephone or over the Internet, do not mail your proxy card.

YOUR CONTROL NUMBER IS:

Proxy card must be signed and dated below.

ê Please fold and detach card at perforation before mailing. ê

ASHLAND INC.

PROXY

This proxy is solicited on behalf of the Board of Directors for the Special Meeting of Shareholders on _____, 2004.

The undersigned hereby appoints James J. O'Brien and David L. Hausrath, and each of them individually, as proxies for the undersigned, with full power of substitution and resubstitution, to act and to vote all the shares of Ashland Inc. Common Stock held by the undersigned on _____, 2004, at the Special Meeting of Shareholders to be held on _____, 2004, and at any postponement or adjournment thereof.

The undersigned acknowledges receipt of the proxy statement/prospectus dated as of _____, 2004, relating the Special Meeting of Shareholders.

Date: _____

(Sign Here)

INSTRUCTIONS: Please sign exactly as shown hereon. When signing as a fiduciary or on behalf of a corporation, bank, trust company, or other similar entity, your title or capacity should be shown.

Please sign, date, and return your proxy promptly in the enclosed envelope to: Corporate Election Services, P.O. Box 1150, Pittsburgh PA 15230-1150.

Table of Contents

ASHLAND INC.

PROXY

If you sign and return this proxy card but do not provide voting instructions, your proxy will be voted FOR proposal 1.

The directors of Ashland Inc. unanimously recommend a vote FOR proposal 1.

1. Approval of the transactions and transaction agreements, dated as of March 18, 2004, as more fully described in the accompanying proxy statement/prospectus.

q FOR

q AGAINST

q ABSTAIN

(Continued and to be signed on the reverse side)

Proxy card must be signed and dated on the reverse side.

ê Please fold and detach card at perforation before mailing. ê
