

Dear [Valued Choice Hotels Franchisee / INSERT CUSTOMARY GREETING],

This morning, Choice Hotels publicly announced a proposal to acquire Wyndham Hotels & Resorts to create a premier hotel franchising company. As the cost of running your hotel continues to rise – from labor to debt service, insurance to property taxes among others – you have asked us to continue to find ways to reduce your operating cost and improve your top line performance. While we have been successful in lowering overall costs and improving performance, we believe a truly transformational combination with Wyndham will provide us the resources to make an even greater impact in achieving these goals, increasing your return on investment and the value of your hotel.

- The combination would nearly **double** our resources to spend on marketing and driving **direct bookings** to your hotels, thereby lowering the cost of customer acquisition.
- It would create a rewards program on par with the top two programs in the hospitality business – and we know **these guests spend more, return more often, and book direct.**
- We are already seeing **tremendous success** from Choice's recent acquisition of Radisson Hotel Group Americas, which has generated **more traffic** to the [www.choicehotels.com](http://www.choicehotels.com) website, higher conversion rates, access to more corporate accounts, and lower total cost of operations at the property level.

By way of background, we have been engaging with Wyndham for nearly six months. During that time, Wyndham acknowledged the value opportunity this potential transaction represents. We were therefore surprised and disappointed that Wyndham chose to disengage from our discussion. As a result, we decided to share our proposal publicly so Wyndham shareholders and other stakeholders can evaluate it for themselves.

You can read the press release, our latest letter to Wyndham, and view other information here: [www.CreateValueWithChoice.com](http://www.CreateValueWithChoice.com)

I want to emphasize that making our proposal public today is just the first step. Day-to-day operations at Choice continue as normal – we are continuing to support you and work with you as we always have.

Importantly, a potential combination with Wyndham is just one of many avenues available to us to drive growth and better support our franchisees. We believe the strength of our franchising system lies in providing opportunities for people of all backgrounds to create generational wealth while working for themselves, yet with the support and infrastructure of a trusted, innovative, and dedicated franchisor. This symbiotic relationship and our desire to continually drive the best value to franchisees guide our path forward.

We respect everything our franchisees have achieved and appreciate your many contributions to each other, your communities, and to the Choice system as a whole. We are committed to supporting you and your success and believe that our proposal represents an attractive path forward for Choice, Wyndham, and all of our respective and mutual hotel owners.

Thank you for your continued commitment to our brands and system. I am more confident than ever in the bright future that lies ahead for us.

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Sincerely,

NAME

**Forward-Looking Statements**

Information set forth herein includes “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Certain, but not necessarily all, of such forward-looking statements can be identified by the use of forward-looking terminology, such as “expect,” “estimate,” “believe,” “anticipate,” “should,” “will,” “forecast,” “plan,” “project,” “assume,” or similar words of futurity. All statements other than historical facts are forward-looking statements. These forward-looking statements are based on management’s current beliefs, assumptions and expectations regarding future events, which, in turn, are based on information currently available to management. Such statements include, but are not limited to, the ultimate outcome of any possible transaction between Choice and Wyndham (including the possibility that the parties will not agree to pursue a business combination transaction or that the terms of any definitive agreement will be materially different from those described herein); uncertainties as to whether Wyndham will cooperate with Choice regarding the proposed transaction; Choice’s ability to consummate the proposed transaction with Wyndham; the conditions to the completion of the proposed transaction, including the receipt of any required shareholder approvals and any required regulatory approvals; Choice’s ability to finance the proposed transaction with Wyndham; Choice’s indebtedness, including the substantial indebtedness Choice expects to incur in connection with the proposed transaction with Wyndham and the need to generate sufficient cash flows to service and repay such debt; the possibility that Choice may be unable to achieve expected synergies and operating efficiencies within the expected timeframes or at all and to successfully integrate Wyndham’s operations with those of Choice, including the Choice loyalty program; the possibility that Choice may be unable to achieve the benefits of the proposed transaction for its franchisees, associates, investors and guests within the expected timeframes or at all, including that such integration may be more difficult, time-consuming or costly than expected; that operating costs and business disruption (without limitation, difficulties in maintaining relationships with associates, guests or franchisees) may be greater than expected following the proposed transaction or the public announcement of the proposed transaction; and that the retention of certain key employees may be difficult. Such statements may relate to projections of the company’s revenue, expenses, adjusted EBITDA, earnings, debt levels, ability to repay outstanding indebtedness, payment of dividends, repurchases of common stock and other financial and operational measures, including occupancy and open hotels, RevPAR, the company’s ability to benefit from any rebound in travel demand, and the company’s liquidity, among other matters. We caution you not to place undue reliance on any such forward-looking statements. Forward-looking statements do not guarantee future performance and involve known and unknown risks, uncertainties and other factors.

These and other risk factors that may affect Choice’s operations are discussed in detail in the company’s filings with the Securities and Exchange Commission, including our Annual Report on Form 10-K and, as applicable, our Quarterly Reports on Form 10-Q. Choice undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by law.

**Additional Information**

This communication does not constitute an offer to buy or solicitation of an offer to sell any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the U.S. Securities Act of 1933, as amended. This communication relates to a proposal that Choice has made for a business combination transaction with Wyndham. In furtherance of this proposal and subject to future developments, Choice (and, if applicable, Wyndham) may file one or more registration statements, proxy statements, tender or exchange offers or other documents with the Securities and Exchange Commission (the “SEC”). This communication is not a substitute for any proxy statement, registration statement, tender or exchange offer document, prospectus or other document Choice and/or Wyndham may file with the SEC in connection with the proposed transaction.

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Investors and security holders of Choice and Wyndham are urged to read the proxy statement(s), registration statement, tender or exchange offer document, prospectus and/or other documents filed with the SEC carefully in their entirety if and when they become available as they will contain important information about the proposed transaction. Any definitive proxy statement(s) or prospectus(es) (if and when available) will be mailed to shareholders of Choice and/or Wyndham, as applicable. Investors and security holders will be able to obtain free copies of these documents (if and when available) and other documents filed with the SEC by Choice through the web site maintained by the SEC at [www.sec.gov](http://www.sec.gov), and by visiting Choice's investor relations site at [www.investor.choicehotels.com](http://www.investor.choicehotels.com).

This communication is neither a solicitation of a proxy nor a substitute for any proxy statement or other filings that may be made with the SEC. Nonetheless, Choice and its directors and executive officers and other members of management and employees may be deemed to be participants in the solicitation of proxies in respect of the proposed transaction. You can find information about Choice's executive officers and directors in the Annual Report on Form 10-K for the year ended December 31, 2022 filed by Choice with the SEC on March 1, 2023. Additional information regarding the interests of such potential participants will be included in one or more registration statements, proxy statements, tender or exchange offer documents or other documents filed with the SEC if and when they become available. These documents (if and when available) may be obtained free of charge from the SEC's website at [www.sec.gov](http://www.sec.gov) and by visiting Choice's investor relations site at [www.investor.choicehotels.com](http://www.investor.choicehotels.com).