

Colony Capital, Inc.
Form DEFM14A
November 18, 2016

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

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under §240.14a-12

Colony Capital, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

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- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
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 - (1) Amount Previously Paid:
 - (2) Form, Schedule or Registration Statement No.:
 - (3) Filing Party:
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-

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MERGERS PROPOSED YOUR VOTE IS VERY IMPORTANT

Dear Stockholders:

On June 2, 2016, NorthStar Asset Management Group Inc., which we refer to as NSAM, Colony Capital, Inc., which we refer to as Colony, and NorthStar Realty Finance Corp., which we refer to as NRF, and certain subsidiary entities of NSAM and NRF entered into an Agreement and Plans of Merger, which agreement, as amended from time to time, we refer to as the merger agreement, pursuant to which NSAM, Colony and NRF will combine in an all-stock merger of equals resulting in a combined company with an internally managed, diversified real estate and investment management platform. We refer to the mergers contemplated by the merger agreement as the Mergers.

We currently expect that NSAM stockholders will own approximately 32.85%, Colony stockholders will own approximately 33.25% and NRF stockholders will own approximately 33.90% of the combined company upon the closing of the Mergers, on a fully diluted basis, excluding the effect of certain equity-based awards issuable in connection with the Mergers.

Under the terms of the merger agreement, NSAM will redomesticate as a Maryland corporation by merging with and into its wholly owned subsidiary, Colony NorthStar, Inc., which we refer to as Colony NorthStar, with Colony NorthStar surviving, which we refer to as the Redomestication merger. Colony NorthStar will elect to be treated as a real estate investment trust, or REIT, effective January 1, 2017. Following internal reorganization transactions by NRF described in the attached joint proxy statement/prospectus, NRF, and then Colony, will merge with and into Colony NorthStar, with Colony NorthStar surviving as the publicly traded parent company for the combined company.

Common stockholders of NSAM will receive one share of Colony NorthStar class A common stock for each share of NSAM common stock they own. Subject to adjustment only under certain limited circumstances as set forth in the merger agreement, common stockholders of Colony (both class A and class B) will receive 1.4663 shares of Colony NorthStar class A or class B common stock, respectively, for each share of Colony common stock they own, and common stockholders of NRF will receive 1.0996 shares of Colony NorthStar class A common stock for each share of NRF common stock they own. No fractional shares will be issued in connection with the Mergers and the applicable stockholders will receive cash in lieu of any fractional shares. Holders of each series of preferred stock of Colony and NRF will receive one share of a series of preferred stock of Colony NorthStar with substantially the same terms for each share of Colony or NRF preferred stock they own.

In addition, prior to the closing of the Mergers, NSAM expects its board of directors to declare a special cash dividend in an aggregate amount of \$228 million to common stockholders of NSAM as of a record date prior to the effective time of the Redomestication merger, which we refer to as the NSAM special dividend. Neither the NSAM special dividend nor the Redomestication merger with Colony NorthStar is conditioned on the other.

The receipt of shares of Colony NorthStar stock as merger consideration is generally expected to be tax-free to the common stockholders of NSAM, Colony and NRF, except with respect to any cash received for fractional shares. Shares of Colony NorthStar class A common stock and each series of Colony NorthStar preferred stock are expected to be listed on the New York Stock Exchange. Colony NorthStar's class A common stock is expected to be listed on the New York Stock Exchange under the trading symbol "CLNS." Although the number of shares of Colony NorthStar common stock that Colony common stockholders and NRF common stockholders will receive in connection with the Mergers is generally fixed and may be adjusted only under certain limited circumstances as set forth in

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the merger agreement, the market value of the Colony and NRF merger consideration will fluctuate with the market price of NSAM common stock. **We urge you to obtain current market quotations for NSAM common stock (trading symbol "NSAM"), Colony class A common stock (trading symbol "CLNY") and NRF common stock (trading symbol "NRF").**

Upon the closing of the Mergers, the Colony NorthStar board will consist of 10 members, of whom five will be designated by NSAM and NRF and five will be designated by Colony. Eight of the 10 members of Colony NorthStar's board will be independent directors. The Companies have announced that NSAM and NRF intend to designate David T. Hamamoto (current Executive Chairman of NSAM and Chairman of NRF), Jon A. Fosheim, Douglas Crocker II and two existing independent directors of NSAM and NRF as members of the Colony NorthStar board and Colony intends to designate Thomas J. Barrack, Jr. (current Executive Chairman of Colony) and four other existing independent directors of Colony, Nancy A. Curtin, George G. C. Parker, John A. Somers and John L. Steffens, as members of the Colony NorthStar board. Upon the closing of the Mergers, Thomas J. Barrack, Jr. will be Executive Chairman, David T. Hamamoto will be Executive Vice Chairman, Richard B. Saltzman will be Chief Executive Officer, Darren J. Tangen will be Chief Financial Officer and Mark M. Hedstrom will be Chief Operating Officer.

NSAM, Colony and NRF will each hold a special meeting of stockholders in connection with the Mergers. NSAM, Colony and NRF common stockholders will each be asked to vote to adopt the merger agreement and/or approve the Mergers, which we refer to as the merger proposals, as well as approve other related matters, as described in the attached joint proxy statement/prospectus. Adoption of the applicable merger proposals described in the joint proxy statement/prospectus requires the affirmative vote of the holders of a majority of the outstanding shares of each of NSAM common stock and NRF common stock, and, in the case of Colony, a majority of the votes entitled to be cast by Colony common stockholders at the special meeting. Common stockholders of NSAM, Colony and NRF will be asked to approve certain provisions of the Colony NorthStar charter that will be implemented in connection with the Redomestication merger, which we refer to as the charter proposals. In addition, common stockholders of NSAM, Colony and NRF will be asked to approve, by a non-binding advisory vote, as applicable, the compensation that may become payable to the NSAM, Colony or NRF named executive officers in connection with the Mergers, which we refer to as the compensation proposals. Common stockholders of NSAM, Colony and NRF will also be asked to approve one or more adjournments of their company's special meeting, if necessary or appropriate, as determined by each of NSAM, Colony and NRF, respectively, including adjournments to permit further solicitation of proxies in favor of the merger proposals and other proposals to be presented to stockholders, which we refer to as the adjournment proposals.

Holders of NSAM performance common stock, holders of Colony preferred stock and holders of NRF preferred stock are not entitled to, and are not requested to, vote at the NSAM special meeting, Colony special meeting or NRF special meeting, as applicable. As discussed in the attached joint proxy statement/prospectus, NSAM stockholders, Colony stockholders and NRF stockholders are not entitled to appraisal rights in connection with the Mergers.

The special meeting of NSAM common stockholders will be held on December 20, 2016 at Morgan Stanley, located at 522 5th Avenue, Conference Room 3A, New York, New York 10036, commencing at 10:00 a.m. (Eastern Time). The special meeting of Colony stockholders will be held on December 20, 2016 at Morgan Stanley, located at 522 5th Avenue, Conference Room 3A, New York, New York 10036, commencing at 11:00 a.m. (Eastern Time). The special meeting of NRF stockholders will be held on December 20, 2016 at Morgan Stanley, located at 522 5th Avenue, Conference Room 3A, New York, New York 10036, commencing at 9:00 a.m. (Eastern Time).

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The board of directors of NSAM, following the unanimous recommendation of a special committee of the board of directors of NSAM, recommends that NSAM common stockholders vote "FOR" the NSAM merger proposal, "FOR" the NSAM charter proposal, "FOR" the NSAM compensation proposal and "FOR" the NSAM adjournment proposal.

The board of directors of Colony unanimously recommends that Colony common stockholders vote "FOR" the Colony merger proposal, "FOR" the Colony charter proposal, "FOR" the Colony compensation proposal and "FOR" the Colony adjournment proposal.

The board of directors of NRF, following the unanimous recommendation of a special committee of the board of directors of NRF, recommends that NRF common stockholders vote "FOR" the NRF merger proposal, "FOR" the NRF charter proposal, "FOR" the NRF compensation proposal and "FOR" the NRF adjournment proposal.

The attached joint proxy statement/prospectus describes the special meetings of each NSAM, Colony and NRF, the merger agreement and transactions contemplated thereby, the documents related to the Mergers and other related matters. **Please read carefully the entire joint proxy statement/prospectus, including "Risk Factors" beginning on page 61 of this joint proxy statement/prospectus, for a discussion of the risks relating to the Mergers.** You also can obtain information about NSAM, Colony and NRF from documents that each has filed with the Securities and Exchange Commission.

We enthusiastically support this combination of our companies and join with our boards in recommending you vote "FOR" the approval of the proposals in this joint proxy statement/prospectus.

Sincerely,

David T. Hamamoto
Executive Chairman
NorthStar Asset Management
Group Inc.

Thomas J. Barrack, Jr.
Executive Chairman
Colony Capital, Inc.

Jonathan A. Langer
Chief Executive Officer and President
NorthStar Realty Finance Corp.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued in connection with the Mergers or passed upon the adequacy or accuracy of this joint proxy statement/prospectus. Any representation to the contrary is a criminal offense.

The date of this joint proxy statement/prospectus is November 18, 2016, and it is first being mailed or otherwise delivered to the stockholders of NSAM, Colony and NRF on or about November 18, 2016.

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NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

To Be Held on December 20, 2016

To the Stockholders of NorthStar Asset Management Group Inc.:

NorthStar Asset Management Group Inc., a Delaware corporation, which we refer to as NSAM, will hold a special meeting of NSAM common stockholders, commencing at 10:00 a.m. (Eastern Time), on December 20, 2016 at Morgan Stanley, located at 522 5th Avenue, Conference Room 3A, New York, New York 10036, which we refer to as the NSAM special meeting, to consider and vote on the following matters:

1. a proposal to approve the merger of NSAM with and into Colony NorthStar, Inc., which we refer to as Colony NorthStar, with Colony NorthStar surviving the merger, which we refer to as the Redomestication merger, and to adopt the Agreement and Plans of Merger, dated as of June 2, 2016, among NSAM, NorthStar Realty Finance Corp., which we refer to as NRF, Colony Capital, Inc., which we refer to as Colony, Colony NorthStar, New Sirius Inc., NorthStar Realty Finance Limited Partnership, Sirius Merger Sub-T, LLC and New Sirius Merger Sub, LLC, as amended from time to time, which we refer to as the merger agreement, pursuant to which NSAM, Colony and NRF through a series of transactions will merge with and into Colony NorthStar as more fully described in this joint proxy statement/prospectus (we refer to the foregoing mergers as the Mergers and the foregoing proposal as the NSAM merger proposal);
2. a proposal to approve a provision in the Colony NorthStar charter containing certain Colony NorthStar stock ownership and transfer restrictions, including a prohibition on any person actually or constructively owning more than 9.8% in value of the aggregate of the outstanding shares of Colony NorthStar's capital stock, or 9.8% (in value or in number of shares, whichever is more restrictive) of the aggregate of the outstanding shares of Colony NorthStar class A common stock, class B common stock and performance common stock, unless the Colony NorthStar board exempts the person from such ownership limitations (we refer to the foregoing proposal as the NSAM charter proposal);
3. a proposal to approve, by non-binding, advisory vote, the compensation that may become payable to the NSAM named executive officers in connection with the Mergers, which we refer to as the NSAM compensation proposal; and
4. a proposal to adjourn the NSAM special meeting, if necessary or appropriate, as determined by NSAM, to solicit additional proxies in favor of the NSAM merger proposal, the NSAM charter proposal and the NSAM compensation proposal, which we refer to as the NSAM adjournment proposal.

We have fixed the close of business on November 2, 2016 as the record date for the NSAM special meeting. Only NSAM common stockholders of record at that time are entitled to notice of, and to vote at, the NSAM special meeting or any adjournment or postponement of the NSAM special meeting. As described in this joint proxy statement/prospectus, we cannot complete the Mergers described above unless holders of a majority of the outstanding shares of NSAM common stock who are entitled to vote at the NSAM special meeting vote to approve the NSAM merger proposal and the NSAM charter proposal.

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Your proxy is being solicited by the board of directors of NSAM, which we refer to as the NSAM board. The NSAM board, following the unanimous recommendation of a special committee of the NSAM board, comprised entirely of independent directors who are not also directors of NRF, which we refer to as the NSAM special committee, has: (i) determined that each of the merger agreement, the transactions contemplated by the merger agreement, including the Mergers, the Colony NorthStar charter and the other related matters and agreements described in this joint proxy statement/prospectus are advisable, fair to and in the best interests of NSAM and its stockholders; and (ii) approved, adopted and declared advisable the Redomestication merger, the merger agreement, the Colony NorthStar charter and other related matters as described in this joint proxy statement/prospectus, as well as the other agreements related to the foregoing. **Accordingly, the NSAM board, following the unanimous recommendation of the NSAM special committee, recommends that you vote "FOR" the NSAM merger proposal, "FOR" the NSAM charter proposal, "FOR" the NSAM compensation proposal and "FOR" the NSAM adjournment proposal.**

Your vote is very important. Regardless of whether you plan to attend the NSAM special meeting, please vote as soon as possible. If you hold stock in your name as a stockholder of record of NSAM, please complete, sign, date and return the accompanying proxy card in the enclosed postage-paid return envelope. If you hold your stock in "street name" through a broker or other nominee, please follow the instructions on the voting instruction card furnished by such firm.

The enclosed joint proxy statement/prospectus provides a detailed description of the NSAM special meeting, the Mergers, the documents related to the Mergers and other related matters. **We urge you to read the joint proxy statement/prospectus, including any documents incorporated in the joint proxy statement/prospectus by reference, and its annexes carefully and in their entirety.**

If you have any questions regarding the accompanying joint proxy statement/prospectus, you may contact MacKenzie Partners, Inc., NSAM's proxy solicitor, by calling toll-free (800) 322-2885.

BY ORDER OF THE BOARD OF DIRECTORS,

David T. Hamamoto
Executive Chairman
NorthStar Asset Management Group Inc.

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NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

To Be Held on December 20, 2016

To the Stockholders of Colony Capital, Inc.:

Colony Capital, Inc., a Maryland corporation, which we refer to as Colony, will hold a special meeting of Colony common stockholders, commencing at 11:00 a.m. (Eastern Time), on December 20, 2016, at Morgan Stanley, located at 522 5th Avenue, Conference Room 3A, New York, New York 10036, which we refer to as the Colony special meeting, to consider and vote on the following matters:

1. a proposal to approve the merger of Colony with and into Colony NorthStar, Inc., which we refer to as Colony NorthStar, with Colony NorthStar surviving the merger, which we refer to as the Colony merger, and the transactions, to the extent applicable to Colony, contemplated by the Agreement and Plans of Merger, dated as of June 2, 2016, among NorthStar Asset Management Group Inc., which we refer to as NSAM, NorthStar Realty Finance Corp., which we refer to as NRF, Colony, Colony NorthStar, New Sirius Inc., NorthStar Realty Finance Limited Partnership, Sirius Merger Sub-T, LLC, and New Sirius Merger Sub, LLC, as amended from time to time, which we refer to as the merger agreement, pursuant to which NSAM, Colony and NRF through a series of transactions will merge with and into Colony NorthStar as more fully described in this joint proxy statement/prospectus (we refer to the foregoing mergers as the Mergers and the foregoing proposal as the Colony merger proposal);
2. a proposal to approve a provision in the Colony NorthStar charter containing certain Colony NorthStar stock ownership and transfer restrictions, including a prohibition on any person actually or constructively owning more than 9.8% in value of the aggregate of the outstanding shares of Colony NorthStar's capital stock, or 9.8% (in value or in number of shares, whichever is more restrictive) of the aggregate of the outstanding shares of Colony NorthStar class A common stock, class B common stock and performance common stock, unless the Colony NorthStar board exempts the person from such ownership limitations (we refer to the foregoing proposal as the Colony charter proposal);
3. a proposal to approve, by non-binding, advisory vote, the compensation that may become payable to the Colony named executive officers in connection with the Colony merger, which we refer to as the Colony compensation proposal; and
4. a proposal to adjourn the Colony special meeting, if necessary or appropriate, as determined by Colony, to solicit additional proxies in favor of the Colony merger proposal, the Colony charter proposal and the Colony compensation proposal, which we refer to as the Colony adjournment proposal.

We have fixed the close of business on November 2, 2016 as the record date for the Colony special meeting. Only Colony common stockholders of record at that time will be entitled to notice of and to vote at the Colony special meeting or any adjournments or postponements of the Colony special meeting. As described in this joint proxy statement/prospectus, we cannot complete the Colony merger described above unless holders of a majority of the votes entitled to be cast by holders of Colony common stock at the Colony special meeting vote as a single class to approve the Colony merger proposal and the Colony charter proposal.

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Your proxy is being solicited by the board of directors of Colony, which we refer to as the Colony board. The Colony board has unanimously: (i) determined that the Colony merger and the transactions contemplated by the merger agreement to the extent applicable to Colony are advisable and in the best interests of Colony and recommended for approval by its stockholders; and (ii) approved Colony's entry into the merger agreement, the transactions contemplated by the merger agreement and other related agreements as described in this joint proxy statement/prospectus. **Accordingly, the Colony board recommends that you vote "FOR" the Colony merger proposal, "FOR" the Colony charter proposal, "FOR" the Colony compensation proposal and "FOR" the Colony adjournment proposal.**

Your vote is very important. Regardless of whether you plan to attend the Colony special meeting, please vote as soon as possible. If you hold stock in your name as a stockholder of record of Colony, please complete, sign, date and return the accompanying proxy card in the enclosed postage-paid return envelope. If you hold your stock in "street name" through a broker or other nominee, please follow the instructions on the voting instruction card furnished by such firm.

The enclosed joint proxy statement/prospectus provides a detailed description of the Colony special meeting, the Colony merger, the documents related to the Colony merger and other related matters. **We urge you to read the joint proxy statement/prospectus, including any documents incorporated in the joint proxy statement/prospectus by reference, and its annexes carefully and in their entirety.**

If you have any questions regarding the accompanying joint proxy statement/prospectus, you may contact D.F. King & Co., Inc., Colony's proxy solicitor, by calling toll-free (866) 751-6311.

BY ORDER OF THE BOARD OF DIRECTORS,

Ronald M. Sanders
Chief Legal Officer and Secretary
Colony Capital, Inc.

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NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

To Be Held on December 20, 2016

To the Stockholders of NorthStar Realty Finance Corp.:

NorthStar Realty Finance Corp., a Maryland corporation, which we refer to as NRF, will hold a special meeting of NRF common stockholders, commencing at 9:00 a.m. (Eastern Time), on December 20, 2016 at Morgan Stanley, located at 522 5th Avenue, Conference Room 3A, New York, New York 10036, which we refer to as the NRF special meeting, to consider and vote on the following matters:

1. a proposal to approve the merger of New Sirius Merger Sub, LLC, which we refer to as New Parent Merger Sub, with and into NRF, with NRF surviving the merger, which we refer to as the New NRF Holdco merger, which will result in NRF becoming a wholly owned subsidiary of NRF's wholly owned subsidiary, New Sirius Inc., which we refer to as New NRF Parent, and related transactions contemplated by the Agreement and Plans of Merger, dated as of June 2, 2016, among NRF, NorthStar Asset Management Group Inc., which we refer to as NSAM, Colony Capital, Inc., which we refer to as Colony, Colony NorthStar, Inc., which we refer to as Colony NorthStar, New NRF Parent, NorthStar Realty Finance Limited Partnership, Sirius Merger Sub-T, LLC and New Parent Merger Sub, as amended from time to time, which we refer to as the merger agreement, pursuant to which NSAM, Colony and NRF through a series of transactions will merge with and into Colony NorthStar as more fully described in this joint proxy statement/prospectus (we refer to the foregoing mergers as the Mergers and the foregoing proposal as the NRF merger proposal);
2. a proposal to approve a provision in the Colony NorthStar charter containing certain Colony NorthStar stock ownership and transfer restrictions, including a prohibition on any person actually or constructively owning more than 9.8% in value of the aggregate of the outstanding shares of Colony NorthStar's capital stock, or 9.8% (in value or in number of shares, whichever is more restrictive) of the aggregate of the outstanding shares of Colony NorthStar class A common stock, class B common stock and performance common stock, unless the Colony NorthStar board exempts the person from such ownership limitations (we refer to the foregoing proposal as the NRF charter proposal);
3. a proposal to approve, by non-binding, advisory vote, the compensation that may become payable to the NRF named executive officers in connection with the Mergers, which we refer to as the NRF compensation proposal; and
4. a proposal to adjourn the NRF special meeting, if necessary or appropriate, as determined by NRF, to solicit additional proxies in favor of the NRF merger proposal, the NRF charter proposal and the NRF compensation proposal, which we refer to as the NRF adjournment proposal.

We have fixed the close of business on November 2, 2016 as the record date for the NRF special meeting. Only NRF common stockholders of record at that time are entitled to notice of, and to vote at, the NRF special meeting, or any adjournment or postponement of the NRF special meeting. As described in this joint proxy statement/prospectus, we cannot complete the Mergers described above

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unless holders of a majority of NRF common stock who are entitled to vote at the NRF special meeting vote to approve the NRF merger proposal and the NRF charter proposal.

Your proxy is being solicited by the board of directors of NRF, which we refer to as the NRF board. The NRF board, following the unanimous recommendation of a special committee of the NRF board, comprised entirely of independent directors who are not also directors of NSAM, which we refer to as the NRF special committee, has: (i) determined that each of the merger agreement, the Mergers and related transactions contemplated by the merger agreement are advisable and in the best interests of NRF; (ii) approved, subject to any stockholder approval required by law, NRF's entry into the merger agreement, the transactions contemplated by the merger agreement and other related agreements as described in this joint proxy statement/prospectus and authorized NRF to execute and deliver the merger agreement and the other related agreements described in this joint proxy statement/prospectus; and (iii) directed that the New NRF Holdco merger and related transactions contemplated by the merger agreement be submitted for consideration at a meeting of the NRF common stockholders, with the recommendation that holders of NRF common stock vote to approve the same. **Accordingly, the NRF board, following the unanimous recommendation of the NRF special committee, recommends that you vote "FOR" the NRF merger proposal, "FOR" the NRF charter proposal, "FOR" the NRF compensation proposal and "FOR" the NRF adjournment proposal.**

Your vote is very important. Regardless of whether you plan to attend the NRF special meeting, please vote as soon as possible. If you hold stock in your name as a stockholder of record of NRF, please complete, sign, date and return the accompanying proxy card in the enclosed postage-paid return envelope. If you hold your stock in "street name" through a broker or other nominee, please follow the instructions on the voting instruction card furnished by such firm.

The enclosed joint proxy statement/prospectus provides a detailed description of the NRF special meeting, the Mergers, the documents related to the Mergers and other related matters. **We urge you to read the joint proxy statement/prospectus, including any documents incorporated in the joint proxy statement/prospectus by reference, and its annexes carefully and in their entirety.**

If you have any questions regarding the accompanying joint proxy statement/prospectus, you may contact Saratoga Proxy Consulting LLC, NRF's proxy solicitor, by calling toll-free (888) 368-0379.

BY ORDER OF THE BOARD OF DIRECTORS,

Jonathan A. Langer
Chief Executive Officer and President
NorthStar Realty Finance Corp.

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ADDITIONAL INFORMATION

This joint proxy statement/prospectus incorporates by reference important business and financial information about NSAM, Colony and NRF from documents filed with the Securities and Exchange Commission, which we refer to as the SEC, that are not included in or delivered with this joint proxy statement/prospectus. You can obtain any of the documents filed with or furnished to the SEC by NSAM, Colony or NRF at no cost from the SEC's website at <http://www.sec.gov> or at the SEC's public reference room located at 100 F Street, N.E. Room 1580, Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for additional information on the Public Reference Room. You may also request copies of these documents, including documents incorporated by reference in this joint proxy statement/prospectus, at no cost by contacting the appropriate company at the following addresses, telephone numbers or websites:

NSAM

399 Park Avenue, 18th Floor
New York, New York 10022
Attention: General Counsel
Telephone: (212) 547-2600
www.nsamgroup.com

COLONY

515 S. Flower Street, 44th Floor
Los Angeles, California 90071
Attention: Investor Relations
Telephone: (310) 282-8820
www.colonyinc.com

NRF

399 Park Avenue, 18th Floor
New York, New York 10022
Attention: Secretary
Telephone: (212) 547-2600
www.nrfc.com

NSAM common stockholders can also contact MacKenzie Partners, Inc., NSAM's proxy solicitor, Colony common stockholders can also contact D.F. King & Co., Inc., Colony's proxy solicitor, and NRF common stockholders can also contact Saratoga Proxy Consulting LLC, NRF's proxy solicitor, at the following addresses and telephone numbers:

NSAM

MacKenzie Partners, Inc.
105 Madison Avenue
New York, New York 10016
(212) 929-5500
(800) 322-2885

COLONY

D.F. King & Co., Inc.
48 Wall Street, 22nd Floor
New York, New York 10005
(212) 269-5550
(866) 751-6311

NRF

Saratoga Proxy Consulting LLC
520 8th Avenue, 14th Floor
New York, New York 10018
(212) 257-1311
(888) 368-0379

(NSAM common stockholders only)

(Colony common stockholders only)

(NRF common stockholders only)

You will not be charged for any of the documents that you request.

To obtain timely delivery of these documents, you must request them no later than five business days before the date of your company's special meeting. This means that if you wish to request documents, you must do so by December 13, 2016, in order to receive them before your company's special meeting.

Investors may also consult NSAM's, Colony's or NRF's website for additional information about NSAM, Colony or NRF, respectively. NSAM's website is <http://www.nsamgroup.com>, Colony's website is <http://www.colonyinc.com> and NRF's website is <http://www.nrfc.com>. Information included on these websites is not incorporated by reference into, and does not form a part of, this joint proxy statement/prospectus.

Refer to the section entitled "Where You Can Find More Information; Incorporation by Reference" beginning on page 420 of this joint proxy statement/prospectus for more details.

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ABOUT THIS JOINT PROXY STATEMENT/PROSPECTUS

This joint proxy statement/prospectus, which forms part of a registration statement on Form S-4 filed by Colony NorthStar with the SEC, constitutes a prospectus of Colony NorthStar for purposes of the Securities Act of 1933, as amended, which we refer to as the Securities Act, with respect to the shares of Colony NorthStar class A common stock and Colony NorthStar preferred stock to be issued to NSAM stockholders, Colony stockholders and NRF stockholders in connection with the Mergers. This joint proxy statement/prospectus also constitutes a proxy statement for each of NSAM, Colony and NRF for solicitation of proxies in connection with its special meeting for purposes of the Securities Exchange Act of 1934, as amended, which we refer to as the Exchange Act. In addition, it constitutes a notice of meeting with respect to each of the NSAM special meeting, the Colony special meeting and the NRF special meeting.

You should rely only on the information contained or incorporated by reference into this joint proxy statement/prospectus. No one has been authorized to provide you with information that is different from that contained in, or incorporated by reference into, this joint proxy statement/prospectus. This joint proxy statement/prospectus is dated November 18, 2016. You should not assume that the information contained in this joint proxy statement/prospectus is accurate as of any other date. You should not assume that the information incorporated by reference into this joint proxy statement/prospectus is accurate as of any date other than the date of such incorporated document. Neither the mailing of this joint proxy statement/prospectus to NSAM stockholders, Colony stockholders or NRF stockholders nor the issuance of shares of Colony NorthStar common stock and preferred stock, as applicable, to NSAM stockholders, Colony stockholders or NRF stockholders pursuant to the merger agreement will create any implication to the contrary.

This joint proxy statement/prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any securities or the solicitation of a proxy in any jurisdiction in which, or from any person with respect to whom, it is unlawful to make any such offer or solicitation in such jurisdiction. Information contained in this joint proxy statement/prospectus regarding NSAM has been provided by NSAM, information contained in this joint proxy statement/prospectus regarding Colony has been provided by Colony and information contained in this joint proxy statement/prospectus regarding NRF has been provided by NRF.

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SELECTED DEFINITIONS

Unless otherwise indicated or as the context otherwise requires, a reference in this joint proxy statement/prospectus to:

"Colony" refers to Colony Capital, Inc.;

"Colony class A common stock" refers to class A common stock of Colony;

"Colony class B common stock" refers to class B common stock of Colony;

"Colony common stock" refers to, collectively, shares of Colony class A common stock and class B common stock;

"Colony equity awards" refers to equity awards granted under the Colony stock plans that are denominated in Colony common stock;

"Colony LTIP units" refers to membership units in Colony Capital Operating Company, LLC designated as LTIP units;

"Colony merger" refers to the merger of Colony with and into Colony NorthStar with Colony NorthStar surviving the merger;

"Colony NorthStar" refers to Colony NorthStar, Inc., formerly known as New Polaris Inc., a Maryland corporation;

"Colony NorthStar bylaws" refers to the Amended and Restated Bylaws of Colony NorthStar, Inc., a form of which is attached as Annex C to this joint proxy statement/prospectus;

"Colony NorthStar charter" refers to the Articles of Amendment and Restatement of Colony NorthStar, Inc., a form of which is attached as Annex B to this joint proxy statement/prospectus;

"Colony NorthStar class A common stock" refers to class A common stock of Colony NorthStar;

"Colony NorthStar class B common stock" refers to class B common stock of Colony NorthStar;

"Colony NorthStar common stock" refers to, collectively, Colony NorthStar class A common stock and class B common stock;

"Colony NorthStar equity awards" refers to equity awards denominated in Colony NorthStar common stock;

"Colony NorthStar preferred stock" refers to, collectively, Colony NorthStar series A, B, C, D, E, F, G and H preferred stock;

"Colony NorthStar series A preferred stock" refers to the 8.75% series A cumulative redeemable perpetual preferred stock of Colony NorthStar;

"Colony NorthStar series B preferred stock" refers to the 8.25% series B cumulative redeemable perpetual preferred stock of Colony NorthStar;

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"Colony NorthStar series C preferred stock" refers to the 8.875% series C cumulative redeemable perpetual preferred stock of Colony NorthStar;

"Colony NorthStar series D preferred stock" refers to the 8.500% series D cumulative redeemable perpetual preferred stock of Colony NorthStar;

"Colony NorthStar series E preferred stock" refers to the 8.75% series E cumulative redeemable perpetual preferred stock of Colony NorthStar;

"Colony NorthStar series F preferred stock" refers to the 8.50% series F cumulative redeemable perpetual preferred stock of Colony NorthStar;

"Colony NorthStar series G preferred stock" refers to the 7.50% series G cumulative redeemable perpetual preferred stock of Colony NorthStar;

"Colony NorthStar series H preferred stock" refers to the 7.125% series H cumulative redeemable perpetual preferred stock of Colony NorthStar;

"Colony OP" refers to Colony Capital Operating Company, LLC;

"Colony OP units" refers to membership units in Colony OP;

"Colony preferred stock" refers to, collectively, Colony series A preferred stock, Colony series B preferred stock and Colony series C preferred stock;

"Colony series A preferred stock" refers to the 8.50% series A cumulative redeemable perpetual preferred stock of Colony;

"Colony series B preferred stock" refers to the 7.50% series B cumulative redeemable perpetual preferred stock of Colony;

"Colony series C preferred stock" refers to the 7.125% series C cumulative redeemable perpetual preferred stock of Colony;

"Colony stock plans" refers to the 2009 Non-Executive Director Stock Plan of Colony and/or the 2014 Equity Incentive Plan of Colony;

"Colony stockholder approval" refers to the receipt at the Colony special meeting of the affirmative vote of a majority of the votes entitled to be cast by the holders of the outstanding shares of Colony common stock, voting together as a single class, to approve the Colony merger proposal and the Colony charter proposal;

"Companies" refer to NSAM, Colony and NRF, collectively;

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"Company" refers, as the context requires, to any of NSAM, Colony or NRF;

"LLC conversion" refers to the conversion of NRF into a limited liability company under the laws of the State of Maryland immediately following the New NRF Holdco merger;

"merger agreement" refers to the Agreement and Plans of Merger, dated as of June 2, 2016, among NSAM, Colony, NRF, Colony NorthStar, New NRF Parent, NRF LP, NRF OP Merger Sub

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and New Parent Merger Sub, as amended from time to time including by the two separate letter agreements dated July 28, 2016 and October 16, 2016, respectively;

"Mergers" refers to, collectively, the Redomestication merger, the NRF LP merger, the NRF LP upstream merger, the New NRF Holdco merger, the NRF merger and the Colony merger;

"New NRF Holdco merger" refers to the merger of New Parent Merger Sub with and into NRF with NRF surviving the merger;

"New NRF Parent" refers to New Sirius Inc.;

"New NRF Parent preferred stock" refers to, collectively, New NRF Parent series A, B, C, D and E preferred stock;

"New NRF Parent series A preferred stock" refers to the 8.75% series A cumulative redeemable preferred stock of New NRF Parent;

"New NRF Parent series B preferred stock" refers to the 8.25% series B cumulative redeemable preferred stock of New NRF Parent;

"New NRF Parent series C preferred stock" refers to the 8.875% series C cumulative redeemable preferred stock of New NRF Parent;

"New NRF Parent series D preferred stock" refers to the 8.500% series D cumulative redeemable preferred stock of New NRF Parent;

"New NRF Parent series E preferred stock" refers to the 8.75% series E cumulative redeemable preferred stock of New NRF Parent;

"New Parent Merger Sub" refers to New Sirius Merger Sub LLC, a Delaware limited liability company and a wholly owned subsidiary of New NRF Parent;

"NRE" refers to NorthStar Realty Europe Corp.;

"NRF" refers to NorthStar Realty Finance Corp.;

"NRF common stock" refers to common stock of NRF;

"NRF equity awards" refers to equity awards granted under the NRF stock plan or otherwise granted by NRF that are denominated in NRF common stock;

"NRF LP" refers to NorthStar Realty Finance Limited Partnership, a Delaware limited partnership;

"NRF LP merger" refers to the merger of NRF OP Merger Sub with and into NRF LP with NRF LP surviving the merger;

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"NRF LP upstream merger" refers to the merger of NRF LP with and into NRF with NRF surviving the merger;

"NRF LTIP units" refers to partnership units in NRF LP designated as LTIP units;

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"NRF management agreement" refers to the Amended and Restated Asset Management Agreement, dated as of October 31, 2015, by and between NRF and NSAM J-NRF Ltd;

"NRF merger" refers to the merger of New NRF Parent with and into Colony NorthStar with Colony NorthStar surviving the merger;

"NRF OP Merger Sub" refers to Sirius Merger Sub-T, LLC, a Delaware limited liability company and a wholly owned subsidiary of NRF;

"NRF preferred stock" refers to, collectively, NRF series A, B, C, D and E preferred stock;

"NRF series A preferred stock" refers to the 8.75% series A cumulative redeemable preferred stock of NRF;

"NRF series B preferred stock" refers to the 8.25% series B cumulative redeemable preferred stock of NRF;

"NRF series C preferred stock" refers to the 8.875% series C cumulative redeemable preferred stock of NRF;

"NRF series D preferred stock" refers to the 8.500% series D cumulative redeemable preferred stock of NRF;

"NRF series E preferred stock" refers to the 8.75% series E cumulative redeemable preferred stock of NRF;

"NRF stock plan" refers to the NRF Third Amended and Restated 2004 Omnibus Stock Incentive Plan;

"NRF stockholder approval" refers to the receipt at the NRF special meeting of the affirmative vote of the holders of a majority of the outstanding shares of NRF common stock entitled to vote at the NRF special meeting to approve the NRF merger proposal and the NRF charter proposal;

"NSAM" refers to NorthStar Asset Management Group Inc.;

"NSAM common stock" refers to common stock of NSAM;

"NSAM equity awards" refers to equity awards granted under the NSAM stock plans or otherwise granted by NSAM that are denominated in NSAM common stock;

"NSAM Jersey" refers to NorthStar Asset Management Group Ltd, a Jersey limited company;

"NSAM LP" refers to NorthStar Asset Management LP;

"NSAM LTIP units" refers to partnership units in NSAM LP designated as LTIP units;

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"NSAM's managed companies" refers to, collectively, the companies managed by NSAM that raise capital through the retail market and the future sponsored companies that raise money from retail investors, which we refer to, collectively, as NSAM's retail companies, NRF and NRE;

"NSAM/NRF side agreement" refers to the agreement by and among NSAM, NRF and NSAM J-NRF Ltd, dated as of June 2, 2016;

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"NSAM performance common stock" refers to the performance common stock of NSAM;

"NSAM stock plans" refers to the 2014 Omnibus Incentive Plan and any new equity plan adopted by NSAM prior to the closing of the Mergers, to the extent such new equity plan is permitted to be adopted pursuant to the merger agreement;

"NSAM stockholder approval" refers to the receipt at the NSAM special meeting of the affirmative vote of the holders of a majority of the outstanding shares of NSAM common stock entitled to vote at the NSAM special meeting to approve the NSAM merger proposal and the NSAM charter proposal; and

"Redomestication merger" refers to the merger of NSAM with and into Colony NorthStar pursuant to Section 253 of the DGCL and Section 3-101, et seq. of the MGCL with Colony NorthStar surviving the merger.

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QUESTIONS AND ANSWERS

The following are some questions that you may have regarding the proposals being considered at the NSAM special meeting, the Colony special meeting and the NRF special meeting and brief answers to those questions. We refer to NSAM, Colony and NRF collectively as the Companies, and each as a Company. The Companies urge you to read carefully this entire joint proxy statement/prospectus, including the Annexes and the other documents to which this joint proxy statement/prospectus refers or which it incorporates by reference because the information in this section may not provide all the information that is important to you.

Q: What are the proposed transactions?

A: NSAM, Colony and NRF have entered into the merger agreement pursuant to which:

NSAM will merge with and into Colony NorthStar in order to redomesticate NSAM into a Maryland corporation, with Colony NorthStar surviving the merger.

NRF will effect a series of internal reorganization transactions with its subsidiaries, including the merger of NorthStar Realty Finance Limited Partnership, which we refer to as NRF LP, NRF's principal operating subsidiary, with and into NRF, with NRF surviving the merger, which we refer to as the NRF LP merger, followed immediately by the merger of New Parent Merger Sub, a wholly owned subsidiary of New NRF Parent, with and into NRF, with NRF surviving the merger. The reorganization transactions will result in NRF becoming a wholly owned subsidiary of New NRF Parent.

New NRF Parent will then immediately merge with and into Colony NorthStar, which we refer to as the NRF merger, with Colony NorthStar surviving the merger.

Immediately thereafter, Colony will merge with and into Colony NorthStar, which we refer to as the Colony merger, with Colony NorthStar surviving the merger.

Q: Why do the Companies want to engage in the Mergers?

A: The Companies believe that the Mergers will create a combined company that is expected to have a larger, more diversified portfolio, broader-based access to multiple sources of capital, lower leverage, a larger balance sheet and improved liquidity. To review reasons for the Mergers in more detail, refer to the sections entitled "The Mergers Reasons for the Mergers and Recommendation of the NSAM Board" beginning on page 136 of this joint proxy statement/prospectus; " Reasons for the Mergers and Recommendation of the Colony Board" beginning on page 142 of this joint proxy statement/prospectus; and " Reasons for the Mergers and Recommendation of the NRF Board" beginning on page 147 of this joint proxy statement/prospectus.

Q: Why am I receiving this joint proxy statement/prospectus?

A: The NSAM board, the Colony board and the NRF board are using this joint proxy statement/prospectus to solicit proxies from the common stockholders of each of NSAM, Colony and NRF in connection with the Mergers.

In order to complete the Mergers, the common stockholders of each Company must each approve the merger proposals. Stockholders are also being asked to approve certain related proposals, including the charter proposals, the compensation proposals (on an advisory non-binding basis) and the adjournment proposals. For additional information regarding the

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proposals to be presented to NSAM, Colony and NRF stockholders, refer to the sections entitled "Proposals Submitted to NSAM Common Stockholders" beginning on page 90 of this joint proxy statement/prospectus; "Proposals Submitted to Colony Common Stockholders" beginning on page 96 of this joint proxy statement/prospectus; and "Proposals Submitted to NRF Common Stockholders" beginning on page 103 of this joint proxy statement/prospectus.

NSAM, Colony and NRF will each hold separate special meetings of their respective common stockholders to consider and vote on these proposals. This joint proxy statement/prospectus contains important information about the Mergers and the special meetings of the common stockholders of each of NSAM, Colony and NRF, and you should read it carefully and in its entirety. The enclosed voting materials allow you to vote your shares of NSAM common stock, Colony common stock and/or NRF common stock, as applicable, without attending the applicable special meeting in person.

We encourage you to submit a proxy to vote your shares of the applicable Company's common stock as promptly as possible so that your shares may be represented and voted at the NSAM special meeting, the Colony special meeting and/or the NRF special meeting, as applicable.

This joint proxy statement/prospectus is also a prospectus with respect to the offering of shares of Colony NorthStar class A common stock and Colony NorthStar preferred stock to be issued in connection with the Mergers.

Q:

How does the NSAM board recommend that NSAM common stockholders vote?

A:

The NSAM board, following the unanimous recommendation of the NSAM special committee, has: (i) determined that each of the merger agreement, the transactions contemplated by the merger agreement, including the Mergers, the Colony NorthStar charter and the other related matters and agreements described in this joint proxy statement/prospectus are advisable, fair to and in the best interests of NSAM and its stockholders; and (ii) approved, adopted and declared advisable the Redomestication merger, the merger agreement, the Colony NorthStar charter and other related matters as described in this joint proxy statement/prospectus, as well as the other agreements related to the foregoing.

Accordingly, the NSAM board, following the unanimous recommendation of the NSAM special committee, recommends that you vote "FOR" the NSAM merger proposal, "FOR" the NSAM charter proposal, "FOR" the NSAM compensation proposal and "FOR" the NSAM adjournment proposal. For a more complete description of the recommendation of the NSAM board, refer to the section entitled "The Mergers Reasons for the Mergers and Recommendation of the NSAM Board" beginning on page 136 of this joint proxy statement/prospectus.

Q:

How does the Colony board recommend that Colony common stockholders vote?

A:

The Colony board has unanimously: (i) determined that the Colony merger is advisable and in the best interests of Colony and recommended that its stockholders approve the Colony merger and the transactions contemplated by the merger agreement to the extent applicable to Colony; and (ii) approved Colony's entry into the merger agreement, the transactions contemplated by the merger agreement applicable to Colony and other related agreements as described in this joint proxy statement/prospectus.

Accordingly, the Colony board recommends that you vote "FOR" the Colony merger proposal, "FOR" the Colony charter proposal, "FOR" the Colony compensation proposal and "FOR" the Colony adjournment proposal. For a more complete description of the recommendation of

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the Colony board, refer to the section entitled "The Mergers Reasons for the Mergers and Recommendation of the Colony Board" beginning on page 142 of this joint proxy statement/prospectus.

Q:

How does the NRF board recommend that NRF common stockholders vote?

A:

The NRF board, following the unanimous recommendation of the NRF special committee, has: (i) determined that each of the merger agreement, the Mergers and related transactions contemplated by the merger agreement are advisable and in the best interests of NRF; (ii) approved, subject to any stockholder approval required by law, NRF's entry into the merger agreement, the transactions contemplated by the merger agreement and other related agreements as described in this joint proxy statement/prospectus and authorized NRF to execute and deliver the merger agreement and the other related agreements described in this joint proxy statement/prospectus; and (iii) directed that the New NRF Holdco merger and related transactions contemplated by the merger agreement be submitted for consideration at a meeting of the NRF common stockholders, with the recommendation that holders of NRF common stock vote to approve the same.

Accordingly, the NRF board, following the unanimous recommendation of the NRF special committee, recommends that you vote "FOR" the NRF merger proposal, "FOR" the NRF charter proposal, "FOR" the NRF compensation proposal and "FOR" the NRF adjournment proposal. For a more complete description of the recommendation of the NRF board, refer to "The Mergers Reasons for the Mergers and Recommendation of the NRF Board" beginning on page 147 of this joint proxy statement/prospectus.

Q:

What will NSAM stockholders, Colony stockholders and NRF stockholders receive in the Mergers if they are completed?

A:

It is currently expected that, upon the closing of the Mergers, NSAM stockholders will own approximately 32.85%, Colony stockholders will own approximately 33.25% and NRF stockholders will own approximately 33.90% of Colony NorthStar, on a fully diluted basis, excluding the effect of certain equity-based awards issuable in connection with the Mergers.

If the Mergers are completed and assuming the exchange ratios are not adjusted pursuant to the terms of the merger agreement as described in this joint proxy statement/prospectus:

each share of common stock of NSAM, which we refer to as NSAM common stock, will be converted into one share of class A common stock of Colony NorthStar, which we refer to as Colony NorthStar class A common stock (we refer to the foregoing exchange ratio as the NSAM exchange ratio);

each share of performance common stock of NSAM, which we refer to as NSAM performance common stock, will be converted into one share of performance common stock of Colony NorthStar, which we refer to as Colony NorthStar performance common stock;

each share of class A common stock of Colony, which we refer to as Colony class A common stock, will be converted into the right to receive 1.4663 shares of Colony NorthStar class A common stock (we refer to the foregoing exchange ratio as the Colony class A exchange ratio);

each share of class B common stock of Colony, which we refer to as Colony class B common stock, will be converted into the right to receive 1.4663 shares of class B

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common stock of Colony NorthStar, which we refer to as Colony NorthStar class B common stock (we refer to the foregoing exchange ratio as the Colony class B exchange ratio);

(i) each share of Colony series A preferred stock will be converted into the right to receive one share of 8.50% series F cumulative redeemable perpetual preferred stock of Colony NorthStar, which we refer to as Colony NorthStar series F preferred stock; (ii) each share of Colony series B preferred stock will be converted into the right to receive one share of 7.50% series G cumulative redeemable perpetual preferred stock of Colony NorthStar, which we refer to as Colony NorthStar series G preferred stock; and (iii) each share of Colony series C preferred stock, which we refer to, together with Colony series A and series B preferred stock, as Colony preferred stock, will be converted into the right to receive one share of 7.125% series H cumulative redeemable perpetual preferred stock of Colony NorthStar, which we refer to as Colony NorthStar series H preferred stock. Colony NorthStar series F, G and H preferred stock will have substantially the same preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends, qualifications and terms and conditions of redemption as the corresponding series of Colony preferred stock;

each share of common stock of NRF, which we refer to as NRF common stock, will be converted into the right to receive 1.0996 shares of Colony NorthStar class A common stock, which we refer to as the NRF exchange ratio; and

(i) each share of NRF series A preferred stock will be converted into the right to receive one share of 8.75% series A cumulative redeemable perpetual preferred stock of Colony NorthStar, which we refer to as Colony NorthStar series A preferred stock; (ii) each share of NRF series B preferred stock will be converted into the right to receive one share of 8.25% series B cumulative redeemable perpetual preferred stock of Colony NorthStar, which we refer to as Colony NorthStar series B preferred stock; (iii) each share of NRF series C preferred stock will be converted into the right to receive one share of 8.875% series C cumulative redeemable perpetual preferred stock of Colony NorthStar, which we refer to as Colony NorthStar series C preferred stock; (iv) each share of NRF series D preferred stock will be converted into the right to receive one share of 8.500% series D cumulative redeemable perpetual preferred stock of Colony NorthStar, which we refer to as Colony NorthStar series D preferred stock; and (v) each share of NRF series E preferred stock, which we refer to, together with NRF series A, B, C and D preferred stock, as NRF preferred stock, will be converted into the right to receive one share of 8.75% series E cumulative redeemable perpetual preferred stock of Colony NorthStar, which we refer to as Colony NorthStar series E preferred stock. Colony NorthStar series A, B, C, D and E preferred stock, which we refer to, together with Colony NorthStar series F, G, and H preferred stock, as Colony NorthStar preferred stock, will have substantially the same preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends, qualifications and terms and conditions of redemption as the corresponding series of NRF preferred stock.

The exchange ratios described above generally are fixed, but the NSAM, Colony and NRF exchange ratios may be adjusted only under certain limited circumstances as set forth in the merger agreement, including if NSAM, Colony or NRF declares or pays dividends in excess of amounts specified in the merger agreement. NSAM, Colony and NRF stockholders also will receive cash in lieu of any fractional shares of Colony NorthStar common stock that would otherwise be issuable in connection with the Mergers.

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Q: How do I calculate the value of the merger consideration?

A: Because holders of NSAM common stock, Colony class A common stock and Colony class B common stock, which we refer to collectively as Colony common stock, and NRF common stock will receive, as applicable, Colony NorthStar class A common stock and Colony NorthStar class B common stock, which we refer to collectively as Colony NorthStar common stock, as consideration for the Mergers, the value of the consideration that NSAM, Colony and NRF stockholders receive will depend on the per share value of Colony NorthStar common stock following the Mergers. Prior to the Mergers, there has not been and will not be established public trading for Colony NorthStar common stock. The price of Colony NorthStar common stock following the Mergers will be unknown until the commencement of trading following completion of the Mergers. The exchange ratios described above will not fluctuate based on the trading prices of NSAM, Colony or NRF common stock. It is expected that Colony NorthStar class A common stock will be listed on the New York Stock Exchange, which we refer to as the NYSE.

Q: What are the principal U.S. federal income tax consequences of the Mergers to U.S. holders of NSAM, Colony or NRF common stock?

A: The parties intend for each of (i) the Redomestication merger and (ii) the New NRF Holdco merger together with the conversion of NRF into a limited liability company under the laws of the State of Maryland immediately following the New NRF Holdco merger, which we refer to as the LLC conversion, to qualify as a reorganization under Section 368(a)(1)(F) of the Code and for each of the NRF merger and the Colony merger to qualify as a reorganization under Section 368(a) of the Code. It is a condition to the closing of the Mergers that: (i) Skadden, Arps, Slate, Meagher & Flom LLP, which we refer to as Skadden, deliver to NSAM an opinion that the Redomestication merger will qualify as a reorganization under Section 368(a)(1)(F) of the Code and that each of the NRF merger and the Colony merger will qualify as a reorganization under Section 368(a) of the Code; (ii) Vinson & Elkins L.L.P., which we refer to as Vinson & Elkins, deliver to NRF an opinion that the New NRF Holdco merger together with the LLC conversion will qualify as a reorganization under Section 368(a)(1)(F) of the Code and that each of the NRF merger and the Colony merger will qualify as a reorganization under Section 368(a) of the Code; and (iii) Hogan Lovells US LLP, which we refer to as Hogan Lovells, deliver to Colony an opinion that each of the NRF merger and the Colony merger will qualify as a reorganization under Section 368(a) of the Code. Pursuant to the merger agreement, the opinions described above may be delivered by other counsel reasonably acceptable to the parties. On the basis of the foregoing opinions, a U.S. Holder (as defined on page 229) of NSAM, Colony or NRF common stock will generally not recognize any gain or loss for U.S. federal income tax purposes as a result of the Mergers, except with respect to cash received in lieu of fractional shares in connection with the Mergers.

In addition, the parties expect that the stockholders of NSAM, Colony and NRF will be subject to tax on any special dividends received prior to or in connection with the Mergers.

The particular consequences of the Mergers to each common and preferred stockholder depend on such holder's particular facts and circumstances. Stockholders are urged to consult their tax advisors to understand fully the consequences to them of the Mergers in their specific circumstances. A more detailed discussion of the U.S. federal income tax considerations relevant to the Mergers can be found in the section entitled "U.S. Federal Income Tax Consequences" beginning on page 229 of this joint proxy statement/prospectus.

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Q: How will my rights as a stockholder of Colony NorthStar following the Mergers differ from my current rights as a stockholder of NSAM, Colony and/or NRF?

A: Prior to the completion of the Redomestication merger, Colony NorthStar will file with the State Department of Assessments and Taxation of Maryland, the Articles of Amendment and Restatement of Colony NorthStar, Inc., a form of which is attached as Annex B to this joint proxy statement/prospectus, which we refer to as the Colony NorthStar charter. Concurrently with the acceptance for record by the State Department of Assessments and Taxation of Maryland of the Colony NorthStar charter, the Amended and Restated Bylaws of Colony NorthStar, Inc., a form of which is attached as Annex C to this joint proxy statement/prospectus, which we refer to as the Colony NorthStar bylaws, will become effective.

Following completion of the Mergers, the rights of stockholders of NSAM, Colony and NRF who become stockholders of Colony NorthStar in the Mergers will be governed by the laws of the State of Maryland and the Colony NorthStar charter and bylaws. Refer to the section entitled "Comparison of Rights of Stockholders of NSAM, Colony and NRF with the Rights of Stockholders of Colony NorthStar" beginning on page 373 of this joint proxy statement/prospectus for additional information.

Q: When and where is the NSAM special meeting?

A: The NSAM special meeting will be held at Morgan Stanley, located at 522 5th Avenue, Conference Room 3A, New York, New York 10036, on December 20, 2016, commencing at 10:00 a.m. (Eastern Time).

Q: When and where is the Colony special meeting?

A: The Colony special meeting will be held at Morgan Stanley, located at 522 5th Avenue, Conference Room 3A, New York, New York 10036, on December 20, 2016, commencing at 11:00 a.m. (Eastern Time).

Q: When and where is the NRF special meeting?

A: The NRF special meeting will be held at Morgan Stanley, located at 522 5th Avenue, Conference Room 3A, New York, New York 10036, on December 20, 2016, commencing at 9:00 a.m. (Eastern Time).

Q: Who can vote at the NSAM special meeting?

A: All NSAM common stockholders of record as of the close of business on November 2, 2016, the record date for the NSAM special meeting, are entitled to receive notice of and to vote at the NSAM special meeting. As of the record date, there were 188,944,901 shares of NSAM common stock outstanding and entitled to vote at the NSAM special meeting, held by approximately 247 holders of record. Each holder of NSAM common stock is entitled to one vote on each proposal presented at the NSAM special meeting for each share of NSAM common stock that such holder owned on the record date for the NSAM special meeting.

Q: Who can vote at the Colony special meeting?

A: All Colony class A common stockholders of record and all Colony class B common stockholders of record as of the close of business on November 2, 2016, the record date for the Colony special meeting, are entitled to receive notice of and to vote at the Colony special meeting. Holders of Colony class A common stock and Colony class B common stock vote

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together as a single class on all proposals for consideration at the Colony special meeting. As of the record date, there were 113,384,407 shares of Colony class A common stock outstanding and entitled to vote at the Colony special meeting, held by approximately 89 holders of record and 527,131 shares of Colony class B common stock outstanding and entitled to vote at the Colony special meeting, held by Thomas J. Barrack, Jr. and/or his affiliates. Each holder of Colony class A common stock is entitled to one vote per share on each proposal presented at the Colony special meeting for each share of Colony class A common stock that such holder owned on the record date for the Colony special meeting. Thomas J. Barrack, Jr., and/or his affiliates, as the sole holders of Colony class B common stock, are entitled to 36.5 votes per share on each proposal presented at the Colony special meeting for each share of Colony class B common stock that he or his affiliates owned on the record date for the Colony special meeting.

Q:
Who can vote at the NRF special meeting?

A:
All NRF common stockholders of record as of the close of business on November 2, 2016, the record date for the NRF special meeting, are entitled to receive notice of and to vote at the NRF special meeting. As of the record date, there were 180,752,147 shares of NRF common stock outstanding and entitled to vote at the NRF special meeting, held by approximately 3,511 holders of record. Each holder of NRF common stock is entitled to one vote on each proposal presented at the NRF special meeting for each share of NRF common stock that such holder owned on the record date for the NRF special meeting.

Q:
What constitutes a quorum for purposes of the NSAM special meeting?

A:
The holders of a majority of the outstanding shares of NSAM common stock entitled to vote on a matter at the NSAM special meeting, present in person or represented by proxy, will constitute a quorum at the NSAM special meeting. All shares of NSAM common stock, represented in person or by proxy, including abstentions and broker non-votes, will be treated as present for purposes of determining the presence or absence of a quorum for all matters voted on at the NSAM special meeting. The NSAM adjournment proposal may be approved without a quorum being present.

For a more detailed description of what constitutes a quorum for purposes of the NSAM special meeting, refer to the section entitled "The NSAM Special Meeting" beginning on page 85 of this joint proxy statement/prospectus.

Q:
What constitutes a quorum for purposes of the Colony special meeting?

A:
The presence in person or by proxy of stockholders entitled to cast a majority of all votes entitled to be cast at the Colony special meeting will constitute a quorum at the Colony special meeting. All shares of Colony common stock, represented in person or by proxy, including abstentions and broker non-votes, will be treated as present for purposes of determining the presence or absence of a quorum for all matters voted on at the Colony special meeting. The Colony adjournment proposal may be approved without a quorum being present.

For a more detailed description of what constitutes a quorum for purposes of the Colony special meeting, refer to the section entitled "The Colony Special Meeting" beginning on page 92 of this joint proxy statement/prospectus.

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Q: What constitutes a quorum for purposes of the NRF special meeting?

A: The presence in person or by proxy of stockholders entitled to cast a majority of all the votes entitled to be cast at the NRF special meeting will constitute a quorum at the NRF special meeting. All shares of NRF common stock, represented in person or by proxy, including abstentions and broker non-votes, will be treated as present for purposes of determining the presence or absence of a quorum for all matters voted on at the NRF special meeting.

For a more detailed description of what constitutes a quorum for purposes of the NRF special meeting, refer to the section entitled "The NRF Special Meeting" beginning on page 98 of this joint proxy statement/prospectus.

Q: What vote is required to approve the proposals at the NSAM special meeting?

A: Approval of the NSAM merger proposal and the NSAM charter proposal requires the affirmative vote of the holders of a majority of the outstanding shares of NSAM common stock entitled to vote on such proposals. If you abstain or fail to vote your shares, including shares held by a broker or other nominee, in favor of the NSAM merger proposal and NSAM charter proposal, this will have the same effect as a vote "AGAINST" such proposals. **The Mergers may not be completed unless the NSAM merger proposal and the NSAM charter proposal are so approved.**

Approval of each of the NSAM compensation proposal and the NSAM adjournment proposal requires the affirmative vote of the holders of a majority of the shares of NSAM common stock present in person or represented by proxy at the NSAM special meeting entitled to vote on such proposal. Abstentions will have the same effect as votes "AGAINST" these proposals. Failures to vote and broker non-votes will have no effect on the approval of these proposals if a quorum is present. The NSAM adjournment proposal also may be approved without a quorum being present by the affirmative vote of the holders of a majority of the shares of NSAM common stock present or represented by proxy at the NSAM special meeting.

Your vote is important. We encourage you to submit a proxy to vote your shares of NSAM common stock as promptly as possible so that your shares may be represented and voted at the NSAM special meeting.

Q: What vote is required to approve the proposals at the Colony special meeting?

A: Approval of the Colony merger proposal and the Colony charter proposal requires the affirmative vote of the holders of a majority of the votes entitled to be cast by the holders of the outstanding shares of Colony common stock, voting together as a single class. If you abstain or fail to vote your shares, including shares held by a broker or other nominee, in favor of the Colony merger proposal and Colony charter proposal, this will have the same effect as a vote "AGAINST" such proposals. **The Mergers may not be completed unless the Colony merger proposal and the Colony charter proposal are so approved.**

Approval of each of the Colony compensation proposal and the Colony adjournment proposal requires the affirmative vote of the holders of a majority of the votes cast on such proposal at the Colony special meeting. Abstentions and broker non-votes will have no effect on the approval of these proposals. The Colony adjournment proposal also may be approved without a quorum being present by the holders of Colony common stock by the approval of a majority of the votes cast.

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Your vote is important. We encourage you to submit a proxy to vote your shares of Colony common stock as promptly as possible so that your shares may be represented and voted at the Colony special meeting.

Q: What vote is required to approve the proposals at the NRF special meeting?

A: Approval of the NRF merger proposal and the NRF charter proposal requires the affirmative vote of the holders of a majority of the outstanding shares of NRF common stock entitled to vote on such proposals. If you abstain or fail to vote your shares, including shares held by a broker or other nominee, in favor of the NRF merger proposal and NRF charter proposal, this will have the same effect as a vote "AGAINST" such proposals. **The Mergers may not be completed unless the NRF merger proposal and the NRF charter proposal are so approved.**

Approval of each of the NRF compensation proposal and the NRF adjournment proposal requires the affirmative vote of the holders of a majority of the votes cast on such proposal at the NRF special meeting. Abstentions and broker non-votes will have no effect on the approval of these proposals.

Your vote is important. We encourage you to submit a proxy to vote your shares of NRF common stock as promptly as possible so that your shares may be represented and voted at the NRF special meeting.

Q: What is the difference between holding shares as a stockholder of record and as a beneficial owner?

A: If your shares are registered directly in your name with American Stock Transfer & Trust Company, LLC, the transfer agent of NSAM, Colony and NRF, you are considered the stockholder of record with respect to those shares. As the stockholder of record, you have the right to vote by granting your voting rights directly to NSAM, Colony or NRF, as applicable or to a third party or by voting in person at the NSAM special meeting, the Colony special meeting or the NRF special meeting, as applicable.

If your shares are held by a broker or other nominee, you are considered the beneficial owner of shares held in "street name," and your broker or other nominee is considered the stockholder of record with respect to those shares. Your broker or other nominee should send you, as the beneficial owner, a package describing the procedure for voting your shares. You should follow the instructions provided by them to vote your shares. You are invited to attend the NSAM special meeting, the Colony special meeting or the NRF special meeting, as applicable; however, you may not vote these shares in person at your Company's special meeting unless you obtain a "legal proxy" from your broker or other nominee that holds your shares, giving you the right to vote the shares at the meeting. Obtaining a legal proxy may take several days and must be obtained prior to your attending your Company's special meeting in order to vote your shares at that meeting.

Refer to the sections entitled "The NSAM Special Meeting Stockholders of Record and Beneficial Owners" beginning on page 86 of this joint proxy statement/prospectus; "The Colony Special Meeting Stockholders of Record and Beneficial Owners" beginning on page 92 of this joint proxy statement/prospectus; and "The NRF Special Meeting Stockholders of Record and Beneficial Owners" beginning on page 99 of this joint proxy statement/prospectus.

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Q: If my shares of NSAM, Colony or NRF common stock are held in "street name" by my broker or other nominee, will my broker or other nominee vote my shares of common stock for me?

A: Unless you instruct your broker or other nominee how to vote your shares of NSAM, Colony or NRF common stock held in "street name," your shares will NOT be voted.

If your shares are held by a broker or other nominee, you must provide your broker or other nominee with instructions on how to vote your shares. Please follow the voting instructions provided by your broker or other nominee. You should also be aware that you may not vote shares of NSAM, Colony or NRF common stock held in "street name" by returning a proxy card directly to NSAM, Colony or NRF or by voting in person at the NSAM, Colony or NRF special meeting unless you provide a "legal proxy," which you must obtain from your broker or other nominee.

A broker non-vote occurs when a broker or other nominee holds shares for a beneficial owner but cannot vote on a proposal because the broker or other nominee does not have the discretionary power to do so and has not received instructions from the beneficial owner. Broker non-votes will be counted in determining the presence of a quorum at your Company's special meeting but will not be voted at that special meeting.

Consequently:

broker non-votes will have the same effect as votes "**AGAINST**" the NSAM merger proposal and the NSAM charter proposal but will have no effect on the NSAM compensation proposal or the NSAM adjournment proposal;

broker non-votes will have the same effect as votes "**AGAINST**" the Colony merger proposal and the Colony charter proposal but will have no effect on the Colony compensation proposal or the Colony adjournment proposal; and

broker non-votes will have the same effect as votes "**AGAINST**" the NRF merger proposal and the NRF charter proposal but will have no effect on the NRF compensation proposal or the NRF adjournment proposal.

Q: What happens if I abstain or fail to vote?

A: For purposes of each of the NSAM, Colony and NRF special meetings, an abstention occurs when a stockholder attends the applicable special meeting in person and does not vote or returns a proxy with an "ABSTAIN" vote, or if you hold your shares through a broker or other nominee, you instruct your broker or other nominee to abstain from voting your shares. If you:

abstain or fail to vote with respect to any of the merger proposals and charter proposals, it will have the same effect as a vote "**AGAINST**" the applicable merger proposal and the applicable charter proposal and, consequently, the Mergers;

abstain with respect to the NSAM compensation proposal, assuming a quorum is present, or the NSAM adjournment proposal, regardless of whether a quorum is present, it will have the same effect as a vote "**AGAINST**" the NSAM compensation proposal or the NSAM adjournment proposal; and

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abstain with respect to the Colony compensation proposal or the NRF compensation proposal, assuming a quorum is present, or the Colony adjournment proposal or the NRF adjournment proposal, regardless of whether a quorum is present, it will have no effect on the approval of the proposals.

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Q:
When are the Mergers expected to close?

A:
Subject to the satisfaction or waiver of the closing conditions described under the section entitled "The Merger Agreement Conditions to Completion of the Mergers" beginning on page 288 of this joint proxy statement/prospectus, including the approval of the merger proposals by the stockholders of each of NSAM, Colony and NRF, the Companies expect that the Mergers will be completed in January 2017 (but not before January 4, 2017). However, it is possible that factors outside the control of the Companies could result in the Mergers being completed at a later time or not at all. There may be a substantial amount of time between the respective special meetings and the completion of the Mergers.

Q:
What are the conditions to the completion of the Mergers?

A:
In addition to the stockholder approval of the NSAM merger proposal, the NSAM charter proposal, the Colony merger proposal, the Colony charter proposal, the NRF merger proposal and the NRF charter proposal described above, completion of the Mergers is subject to the satisfaction or waiver of a number of other conditions, including:

listing of Colony NorthStar class A common stock and each series of Colony NorthStar preferred stock on the NYSE;

receipt of required regulatory approvals;

the absence of any governmental authority of competent jurisdiction enacting any law or similar decree or taking any action to prevent or prohibit the consummation of the Mergers;

effectiveness of the registration statement on Form S-4, of which this joint proxy statement/prospectus is a part and the absence of any stop order or proceeding seeking a stop order, in each case with respect to the Mergers;

receipt by Colony and NRF of a study with respect to the "earnings and profits" for U.S. federal income tax purposes of NSAM and an NSAM subsidiary, which study relates to Colony NorthStar's election to be treated as a real estate investment trust, which we refer to as a REIT, within the meaning of the Internal Revenue Code of 1986, as amended, which we refer to as the Code;

receipt by the Companies of opinions of counsel regarding certain tax matters (including REIT qualification matters) and matters under the Investment Company Act of 1940, as amended, which we refer to as the Investment Company Act;

accuracy of representations and warranties under the merger agreement (subject to certain materiality exceptions);

performance in all material respects by NSAM, Colony NorthStar, Colony, NRF and New NRF Parent of their respective obligations under the merger agreement;

the absence of a material adverse effect on NSAM, Colony or NRF; and

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the sale or other disposition of NSAM's investment in Island Hospitality Management Inc. (carrying value of approximately \$39.5 million as of March 31, 2016) which could adversely affect Colony NorthStar's ability to qualify as a REIT.

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Further, none of the Mergers or the other transactions contemplated by the merger agreement will be consummated unless the other transactions are consummated and no party will be required to consummate the Mergers if, subject to certain conditions, financing is unavailable and the combined company, upon consummation of the transactions, will not have sufficient unrestricted cash to repay certain specified borrowings and all transaction expenses. For a more complete summary of the conditions that must be satisfied or waived prior to the completion of the Mergers, refer to the section entitled "The Merger Agreement Conditions to Completion of the Mergers" beginning on page 288 of this joint proxy statement/prospectus.

Q: What will happen to outstanding NSAM equity awards in the Mergers?

A: At the effective time of the Redomestication merger, each outstanding equity award granted under the NSAM stock plans (defined below) or otherwise denominated in NSAM common stock, which we refer to as an NSAM equity award, will be assumed by Colony NorthStar and converted into an equity award denominated in Colony NorthStar common stock, which we refer to as a Colony NorthStar equity award, having the same terms and conditions as those of the corresponding NSAM equity award immediately prior to the Redomestication merger and the 2014 Omnibus Incentive Plan and any new equity plan adopted by NSAM prior to the closing of the Mergers, to the extent such new equity plan is permitted to be adopted pursuant to the merger agreement, which we refer to as the NSAM stock plans, will be assumed by Colony NorthStar. At the effective time of the NRF merger, each outstanding Colony NorthStar equity award will be treated in connection with the consummation of the NRF merger in accordance with its terms set forth in the applicable NSAM stock plans and/or award agreements, and each partnership unit in NorthStar Asset Management LP, a Delaware limited partnership and the operating partnership of NSAM that holds substantially all of NSAM's assets and liabilities and through which NSAM conducts its operations, which we refer to as NSAM LP, designated as an LTIP unit, which we refer to as an NSAM LTIP unit, will be treated in connection with the consummation of the NRF merger in accordance with its terms and the terms of the NSAM LP limited partnership agreement. Refer to the section entitled "The Merger Agreement The Mergers and Related Transactions Treatment of NSAM and Colony NorthStar Equity Awards and NSAM LTIP Units" beginning on page 281 of this joint proxy statement/prospectus.

Substantially all currently outstanding NSAM equity awards and NSAM LTIP units that are scheduled to vest based solely on continued service or employment, including all of such NSAM equity awards and NSAM LTIP units held by NSAM's directors and executive officers, will vest in accordance with their terms upon the closing of the Mergers. The number of shares that will be earned pursuant to all currently outstanding performance-based NSAM equity awards that are subject to vesting based on total stockholder return over a performance period scheduled to end in 2017 or thereafter will be determined upon the closing of the Mergers. The number of shares to be earned by each of the NSAM executive officers pursuant to these awards upon the closing of the Mergers was fixed pursuant to agreements entered into in connection with the signing of the merger agreement. The fixed amounts were based on pre-signing stock prices and an assumed closing date in January 2017, except that Messrs. Hamamoto, Tylis and Gilbert each agreed to forfeit a majority of the shares that each was projected to earn. The number of shares that will be earned by other holders of these awards upon the closing of the Mergers will be based on a vesting percentage equal to the greater of: (i) the percentage of the performance period that has elapsed through the date of the closing; or (ii) the percentage that would have been earned at the end of the performance period based on the value of the consideration received for NSAM common stock in the Mergers. Any portion of these performance-based equity awards that is not earned upon the

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closing of the Mergers will be forfeited. For additional information regarding the treatment of NSAM equity awards held by NSAM's directors and executive officers, refer to the section entitled "The Mergers Interests of NSAM's Directors and Executive Officers in the Mergers" beginning on page 211 of this joint proxy statement/prospectus.

Q:
What will happen to outstanding Colony equity awards in the Mergers?

A:
At the effective time of the Colony merger, each outstanding equity award granted under the Colony stock plans (defined below) that is denominated in Colony common stock, which we refer to as a Colony equity award, will be treated in connection with the consummation of the Colony merger in accordance with the terms set forth in the 2009 Non-Executive Director Stock Plan of Colony and/or the 2014 Equity Incentive Plan of Colony, as applicable, which we refer to collectively as the Colony stock plans, and/or award agreements, as applicable. Each Colony equity award that is outstanding immediately prior to the effective time of the Colony merger that does not vest and is not forfeited in connection with the consummation of the Colony merger by its terms will be assumed by Colony NorthStar and will be converted into a Colony NorthStar equity award as set forth in the merger agreement. At the effective time of the Colony merger, each outstanding membership unit in Colony Capital Operating Company, LLC, the operating subsidiary of Colony, which we refer to as Colony OP, designated as an LTIP unit, which we refer to as a Colony LTIP unit, if any, will be treated in connection with the consummation of the Colony merger in accordance with its terms and the limited liability company agreement of Colony OP. Refer to the section entitled "The Merger Agreement The Mergers and Related Transactions Treatment of Colony Equity Awards and Colony LTIP Units" beginning on page 281 of this joint proxy statement/prospectus.

Q:
What will happen to outstanding NRF equity awards in the Mergers?

A:
In connection with NRF's internal reorganization transactions, all of the outstanding partnership units in NRF LP designated as LTIP units, which we refer to as NRF LTIP units, will be fully vested and converted into an equal number of shares of NRF common stock, each outstanding equity award granted under the NRF stock plan (defined below) or otherwise denominated in NRF common stock, which we refer to as an NRF equity award, will be assumed by New NRF Parent and will be converted into the right to receive a New NRF Parent equity award having the same terms and conditions as those of the corresponding NRF equity award and the NRF Third Amended and Restated 2004 Omnibus Stock Incentive Plan, which we refer to as the NRF stock plan, will be assumed by New NRF Parent. At the effective time of the NRF merger, each outstanding New NRF Parent equity award will be treated in connection with the consummation of the NRF merger in accordance with its terms set forth in the applicable NRF stock plan and/or award agreements. Each New NRF Parent equity award that is outstanding immediately prior to the effective time of the NRF merger that does not vest and is not forfeited in connection with the consummation of the NRF merger by its terms will be assumed by Colony NorthStar and will be converted into a Colony NorthStar equity award as set forth in the merger agreement. If the aggregate number of shares of NRF common stock and New NRF Parent common stock issuable upon conversion of NRF LTIP units (or common units of NRF LP issued upon conversion of NRF LTIP units) or pursuant to the New NRF Parent equity awards in connection with the NRF merger would be greater than the number of shares available for issuance under the NRF stock plan, and in the event the parties determine that these obligations cannot be settled in shares of Colony NorthStar class A common stock in accordance with applicable law and stock exchange rules, then a pro rata portion of these awards will be settled in cash instead of shares. Refer to the section entitled "The Merger Agreement The Mergers and Related Transactions Treatment

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of NRF Equity Awards and NRF LTIP Units" beginning on page 282 of this joint proxy statement/prospectus.

Substantially all currently outstanding NRF equity awards that are scheduled to vest based solely on continued service or employment, including all of such NRF equity awards held by NRF's directors and executive officers, will vest in accordance with their terms upon the closing of the Mergers. The number of shares that will be earned pursuant to the currently outstanding performance-based NRF equity awards that are subject to vesting based on total stockholder return over a performance period scheduled to end in 2017 or thereafter, all of which are held by certain NRF executive officers, was fixed pursuant to agreements entered into with such NRF executive officers in connection with the signing of the merger agreement. The number of shares that would have been earned upon the closing of the Mergers in the absence of these agreements would have been based on a vesting percentage equal to the greater of: (i) the percentage of the performance period that had elapsed through the date of the closing; or (ii) the percentage that would have been earned at the end of the performance period based on the value of the consideration received for NRF common stock in the Mergers and, if applicable, the value of the common stock of NorthStar Realty Europe Corp., which we refer to as NRE, upon the closing of the Mergers. The fixed amounts were based on pre-signing stock prices and an assumed closing date in January 2017, except that Messrs. Hamamoto, Tylis and Gilbert each agreed to forfeit a majority of the shares that each was projected to earn. The portion of these performance-based equity awards that is not earned upon the closing of the Mergers will be forfeited. For additional information regarding the treatment of NRF equity awards held by NRF's directors and executive officers, refer to the section entitled "The Mergers Interests of NRF's Directors and Executive Officers in the Mergers" beginning on page 220 of this joint proxy statement/prospectus.

Q:
What is a real estate investment trust?

A:
In connection with the transactions contemplated by the merger agreement, Colony NorthStar will elect to be taxed as a REIT, within the meaning of the Code, commencing with the taxable year beginning January 1, 2017. A company that qualifies and elects to be taxed as a REIT generally will not be subject to U.S. federal income tax on its real estate investment trust taxable income that it pays to its stockholders in the form of a dividend. A company's qualification as a REIT under the Code depends on its ability to meet, on a continuing basis, through actual investment and operating results, various highly technical and complex requirements under the Code relating to, among other things, the sources of its gross income, the composition and value of its assets, its distribution levels and the diversity of ownership of its shares. The Companies believe that Colony NorthStar will be organized in conformity with the requirements for qualification and taxation as a REIT under the Code, and that its intended manner of operation will enable it to meet the requirements for qualification and taxation as a REIT.

For a more complete discussion of the U.S. federal income taxation of a REIT and the tax treatment of stockholders of a REIT, refer to the section entitled "U.S. Federal Income Tax Consequences U.S. Federal Income Taxation of Colony NorthStar and its Stockholders" beginning on page 233 of this joint proxy statement/prospectus.

Q:
Where will my shares of Colony NorthStar common stock be publicly traded?

A:
The Companies anticipate that Colony NorthStar class A common stock will be listed on the NYSE upon the consummation of the Mergers under the symbol "CLNS."

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Q: Who will serve on the Colony NorthStar board following the Mergers?

A: Following the consummation of the Colony merger, the Colony NorthStar board will consist of 10 members, eight of whom will be independent under applicable NYSE rules. Five directors will be designated by NSAM and NRF and five directors will be designated by Colony. The Companies have announced that NSAM and NRF intend to designate David T. Hamamoto (current Executive Chairman of NSAM and Chairman of NRF), Jon A. Fosheim, Douglas Crocker II and two existing independent directors of NSAM and NRF as members of the Colony NorthStar board and Colony intends to designate Thomas J. Barrack, Jr. (current Executive Chairman of Colony) and four other existing independent directors of Colony, Nancy A. Curtin, George G. C. Parker, John A. Somers and John L. Steffens, as members of the Colony NorthStar board.

Q: Where will Colony NorthStar be located and who will serve in senior leadership roles following the Mergers?

A: Following the Mergers, Colony NorthStar will maintain a significant presence in both New York, New York and Los Angeles, California.

Upon the closing of the Mergers, it is expected that Thomas J. Barrack, Jr. (currently Executive Chairman of Colony) will be Executive Chairman of Colony NorthStar, David T. Hamamoto (currently Executive Chairman of NSAM and Chairman of NRF) will be Executive Vice Chairman of Colony NorthStar, Richard B. Saltzman (currently Chief Executive Officer and President of Colony) will be Chief Executive Officer of Colony NorthStar, Darren J. Tangen (currently Chief Financial Officer of Colony) will be Chief Financial Officer of Colony NorthStar and Mark M. Hedstrom (currently Chief Operating Officer of Colony) will be Chief Operating Officer of Colony NorthStar.

Q: Are NSAM stockholders entitled to appraisal rights?

A: NSAM stockholders are not entitled to exercise appraisal rights in connection with the Mergers.

Refer to the section entitled "No Appraisal Rights in the Mergers" beginning on page 416 of this joint proxy statement/prospectus.

Q: Are Colony stockholders entitled to appraisal rights?

A: Colony stockholders are not entitled to exercise appraisal rights in connection with the Mergers.

Refer to the section entitled "No Appraisal Rights in the Mergers" beginning on page 416 of this joint proxy statement/prospectus.

Q: Are NRF stockholders entitled to appraisal rights?

A: NRF stockholders are not entitled to exercise appraisal rights in connection with the Mergers.

Refer to the section entitled "No Appraisal Rights in the Mergers" beginning on page 416 of this joint proxy statement/prospectus.

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Q: Why am I being asked to consider and vote on a proposal to approve, by non-binding, advisory vote, the compensation that may become payable to the NSAM named executive officers in connection with the Mergers?

A: Under SEC rules, NSAM is required to seek a non-binding, advisory vote from NSAM common stockholders with respect to the compensation that may become payable to its named executive officers in connection with the Mergers. Refer to the section entitled "Proposals Submitted to NSAM Common Stockholders Proposal 3 The NSAM Compensation Proposal" beginning on page 90 of this joint proxy statement/prospectus.

Q: What will happen if NSAM stockholders do not approve the NSAM compensation proposal?

A: Approval of the NSAM compensation proposal is not a condition to completion of the Mergers. Accordingly, you may vote against the NSAM compensation proposal and vote in favor of the NSAM merger proposal and any other proposals. The NSAM compensation proposal vote is an advisory vote being presented only to NSAM common stockholders and it will not be binding on NSAM or Colony NorthStar following the Mergers. If the Mergers are completed, any merger-related compensation may be paid to the NSAM named executive officers to the extent payable in accordance with the terms of their compensation agreements and arrangements even if NSAM stockholders do not approve the NSAM compensation proposal.

Q: Why am I being asked to consider and vote on a proposal to approve, by non-binding, advisory vote, the compensation that may become payable to the Colony named executive officers in connection with the Mergers?

A: Under SEC rules, Colony is required to seek a non-binding, advisory vote from Colony common stockholders with respect to the compensation that may become payable to its named executive officers in connection with the Mergers. Refer to the section entitled "Proposals Submitted to Colony Common Stockholders Proposal 3 The Colony Compensation Proposal" beginning on page 96 of this joint proxy statement/prospectus.

Q: What will happen if Colony stockholders do not approve the Colony compensation proposal?

A: Approval of the Colony compensation proposal is not a condition to completion of the Mergers. Accordingly, you may vote against the Colony compensation proposal and vote in favor of the Colony merger proposal and any other proposals. The Colony compensation proposal vote is an advisory vote being presented only to Colony common stockholders, and it will not be binding on Colony or Colony NorthStar following the Mergers. If the Mergers are completed, any merger-related compensation may be paid to the Colony named executive officers to the extent payable in accordance with the terms of their compensation agreements and arrangements even if Colony common stockholders do not approve the Colony compensation proposal.

Q: Why am I being asked to consider and vote on a proposal to approve, by non-binding, advisory vote, the compensation that may become payable to the NRF named executive officers in connection with the Mergers?

A: Under SEC rules, NRF is required to seek a non-binding, advisory vote from NRF common stockholders with respect to the compensation that may become payable to its named executive officers in connection with the Mergers. Refer to the section entitled "Proposals

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Submitted to NRF Common Stockholders Proposal 3 "The NRF Compensation Proposal" beginning on page 103 of this joint proxy statement/prospectus.

Q: What will happen if NRF stockholders do not approve the NRF compensation proposal?

A: Approval of the NRF compensation proposal is not a condition to completion of the Mergers. Accordingly, you may vote against the NRF compensation proposal and vote in favor of the NRF merger proposal and any other proposals. The NRF compensation proposal vote is an advisory vote being presented only to NRF common stockholders and it will not be binding on NRF or Colony NorthStar following the Mergers. If the Mergers are completed, any merger-related compensation may be paid to the NRF named executive officers to the extent payable in accordance with the terms of their compensation agreements and arrangements even if NRF stockholders do not approve the NRF compensation proposal.

Q: Do any of NSAM's directors or executive officers have interests in the Mergers that may differ from those of NSAM common stockholders?

A: Certain NSAM directors and executive officers have interests in the Mergers that are different from, or in addition to, their interests as NSAM common stockholders. The NSAM special committee, comprised entirely of independent directors who are not also directors of NRF, was aware of and considered these interests, among other matters, in evaluating the merger agreement and the Mergers and recommended unanimously that the NSAM board recommend that the NSAM common stockholders vote "FOR" the NSAM merger proposal, "FOR" the NSAM charter proposal, "FOR" the NSAM compensation proposal and "FOR" the NSAM adjournment proposal. For a description of these interests, refer to the section entitled "The Mergers Interests of NSAM's Directors and Executive Officers in the Mergers" beginning on page 211 of this joint proxy statement/prospectus.

Q: Do any of Colony's directors or executive officers have interests in the Mergers that may differ from those of Colony common stockholders?

A: Certain Colony directors and executive officers have interests in the Mergers that are different from, or in addition to, their interests as Colony common stockholders. The Colony board was aware of and considered these interests, among other matters, in evaluating the merger agreement and the Mergers and recommended unanimously that the Colony common stockholders vote "FOR" the Colony merger proposal, "FOR" the Colony charter proposal, "FOR" the Colony compensation proposal and "FOR" the Colony adjournment proposal. For a description of these interests, refer to the section entitled "The Mergers Interests of Colony's Directors and Executive Officers in the Mergers" beginning on page 218 of this joint proxy statement/prospectus.

Q: Do any of NRF's directors or executive officers have interests in the Mergers that may differ from those of NRF common stockholders?

A: Certain NRF directors and executive officers have interests in the Mergers that are different from, or in addition to, their interests as NRF common stockholders. The NRF special committee, comprised entirely of independent directors who are not also directors of NSAM, was aware of and considered these interests, among other matters, in evaluating the merger agreement and the Mergers and recommended unanimously that the NRF board recommend that the NRF common stockholders vote "FOR" the NRF merger proposal, "FOR" the NRF charter proposal, "FOR" the NRF compensation proposal and "FOR" the NRF adjournment proposal. For a description of these interests, refer to the section entitled "The Mergers

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Interests of NRF's Directors and Executive Officers in the Mergers" beginning on page 220 of this joint proxy statement/prospectus.

Q: Where can I find the voting results of the NSAM special meeting, the Colony special meeting and the NRF special meeting?

A: The preliminary voting results at the NSAM special meeting, the Colony special meeting and the NRF special meeting will be announced at each Company's special meeting. In addition, within four business days following certification of the final voting results, NSAM, Colony and NRF each intends to file its final voting results with the SEC on a Current Report on Form 8-K.

Q: What do I need to do now?

A: After you have carefully read this joint proxy statement/prospectus, please respond by completing, signing and dating your proxy card or voting instruction card and returning it in the enclosed postage-paid return envelope or, if available, by authorizing your proxy by one of the other methods specified in your proxy card or voting instruction card as promptly as possible so that your shares of NSAM common stock, Colony common stock and/or NRF common stock will be represented and voted at the NSAM special meeting, the Colony special meeting or the NRF special meeting, as applicable.

Refer to your proxy card or voting instruction card forwarded by your broker or other nominee to see which voting options are available to you.

The method by which you submit a proxy will in no way limit your right to vote at the NSAM special meeting, the Colony special meeting and/or the NRF special meeting if you later decide to attend the meeting in person. However, if your shares of NSAM common stock, Colony common stock and/or NRF common stock, as applicable, are held in the name of a broker or other nominee, you must obtain a "legal proxy," executed in your favor, from your broker or other nominee, to be able to vote in person at the NSAM special meeting, the Colony special meeting and/or the NRF special meeting. Obtaining a legal proxy may take several days and must be obtained prior to your attending the applicable Company's special meeting in order to vote your shares at that meeting.

Q: Do I need to do anything with my stock certificates now?

A: No. If the Mergers are completed, you will receive instructions for exchanging your stock certificates.

Q: If a stockholder gives a proxy, how will my proxy be voted?

A: All shares of NSAM common stock entitled to vote and represented by properly completed proxies received prior to the NSAM special meeting, and not revoked, will be voted at the NSAM special meeting as instructed on the proxies. You may vote "**FOR**," "**AGAINST**" or "**ABSTAIN**" with respect to any proposal. If you are a stockholder of record and you properly sign, date and return a proxy card but do not indicate how your shares of NSAM common stock should be voted on a matter, the shares of NSAM common stock represented by your proxy will be voted as the NSAM board recommends and therefore "**FOR**" the NSAM merger proposal, "**FOR**" the NSAM charter proposal, "**FOR**" the NSAM compensation proposal and "**FOR**" the NSAM adjournment proposal.

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All shares of Colony common stock entitled to vote and represented by properly completed proxies received prior to the Colony special meeting, and not revoked, will be voted at the Colony special meeting as instructed on the proxies. You may vote **"FOR," "AGAINST"** or **"ABSTAIN"** with respect to any proposal. If you are a stockholder of record and you properly sign, date and return a proxy card but do not indicate how your shares of Colony common stock should be voted on a matter, the shares of Colony common stock represented by your proxy will be voted as the Colony board recommends and therefore **"FOR"** the Colony merger proposal, **"FOR"** the Colony charter proposal, **"FOR"** the Colony compensation proposal and **"FOR"** the Colony adjournment proposal.

All shares of NRF common stock entitled to vote and represented by properly completed proxies received prior to the NRF special meeting, and not revoked, will be voted at the NRF special meeting as instructed on the proxies. You may vote **"FOR," "AGAINST"** or **"ABSTAIN"** with respect to any proposal. If you are a stockholder of record and you properly sign, date and return a proxy card but do not indicate how your shares of NRF common stock should be voted on a matter, the shares of NRF common stock represented by your proxy will be voted as the NRF board recommends and therefore **"FOR"** the NRF merger proposal, **"FOR"** the NRF charter proposal, **"FOR"** the NRF compensation proposal and **"FOR"** the NRF adjournment proposal.

Q:
How do I vote?

A:
If you are an NSAM, Colony and/or NRF common stockholder of record, you may have your shares of NSAM, NRF and/or Colony common stock voted on matters presented at the Companies' respective special meeting by proxy (through the internet, by telephone or by signing, dating and returning the accompanying proxy card in the enclosed postage-paid return envelope) or in person. If you are a beneficial owner of NSAM, Colony and/or NRF common stock, you should receive instructions from your broker or other nominee that you must follow in order to have your shares of NSAM, Colony and/or NRF common stock voted.

For additional information regarding how to vote your shares of common stock, refer to the sections entitled "The NSAM Special Meeting How to Vote Your Shares" beginning on page 87 of this joint proxy statement/prospectus; "The Colony Special Meeting How to Vote Your Shares" beginning on page 94 of this joint proxy statement/prospectus; and "The NRF Special Meeting How to Vote Your Shares" beginning on page 100 of this joint proxy statement/prospectus.

Q:
Can I revoke my proxy or change my vote after I have delivered my proxy?

A:
Yes. You can revoke your proxy or change your vote before your proxy votes your shares in any of the three following ways:

by sending a written notice to the Secretary of NSAM, the Secretary of Colony or the Secretary of NRF, as applicable, at the address for each Company set forth below, which notice must be received by NSAM's Corporate Secretary by 11:59 p.m. (Eastern Time) on the business day prior to the date of the NSAM special meeting, by Colony's Corporate Secretary by 11:59 p.m. (Eastern Time) on the business day prior to the date of the Colony special meeting or by NRF's Corporate Secretary by 11:59 p.m. (Eastern Time) on the business day prior to the date of the NRF special meeting, as applicable, stating that you would like to revoke your proxy;

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by completing, signing and dating another proxy card and returning it by mail in time to be received before the NSAM special meeting, the Colony special meeting or the NRF special meeting, as applicable, or by authorizing a later dated proxy by the Internet or telephone, if applicable, in which case your later-authorized proxy will be recorded and your earlier proxy revoked; or

by attending the NSAM special meeting, the Colony special meeting special meeting and/or the NRF special meeting, as applicable, and voting in person. Simply attending the NSAM special meeting, the Colony special meeting and/or the NRF special meeting without voting will not revoke your proxy or change your vote.

If your shares of NSAM common stock, Colony common stock and/or NRF common stock are held in an account at a broker or other nominee and you desire to change your vote or vote in person, you should contact your broker or other nominee for instructions on how to do so.

Q: What should I do if I receive more than one set of voting materials for the NSAM special meeting, the Colony special meeting and/or the NRF special meeting?

A: Please complete, sign, date and return each proxy card and voting instruction card that you receive or, if available, please submit your proxy by telephone, facsimile or over the Internet. You may receive more than one set of voting materials for the NSAM special meeting, the Colony special meeting and/or the NRF special meeting, including multiple copies of this joint proxy statement/prospectus and multiple proxy cards or voting instruction cards. For example, if you hold your shares of NSAM common stock, Colony common stock and/or NRF common stock in more than one brokerage account, you will receive a separate voting instruction card for each brokerage account in which you hold shares of NSAM common stock, Colony common stock and/or NRF common stock. If you are a holder of record and your shares of NSAM common stock, Colony common stock and/or NRF common stock are registered in more than one name, you may receive more than one proxy card.

Q: What happens if I am a stockholder of more than one of the Companies?

A: You will receive separate proxy cards for each of NSAM, Colony and NRF, as applicable, and you must complete, sign and date each proxy card and return each proxy card in the appropriate postage-paid return envelope or, if available, by authorizing a proxy by one of the other methods specified in your proxy card or voting instruction card for each of NSAM, Colony and NRF, as applicable.

Q: What happens if I sell my shares of NSAM common stock before the NSAM special meeting?

A: The record date for the NSAM special meeting is earlier than both the date of the NSAM special meeting and the effective time of the Mergers. If you transfer your shares of NSAM common stock after the record date of the NSAM special meeting, you will, unless the transferee requests a proxy from you, retain your right to vote at the NSAM special meeting but will transfer the right to receive the merger consideration to the person to whom you transfer your shares. In order to become entitled to receive the merger consideration, you must hold your shares of NSAM common stock through the effective time of the Mergers, which the Companies expect will occur in January 2017.

In order to receive the expected NSAM special dividend, you must be a NSAM common stockholder of record on the record date for the special dividend.

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Q: What happens if I sell my shares of Colony common stock before the Colony special meeting?

A: The record date for the Colony special meeting is earlier than both the date of the Colony special meeting and the effective time of the Mergers. If you transfer your shares of Colony common stock after the record date of the Colony special meeting, you will, unless the transferee requests a proxy from you, retain your right to vote at the Colony special meeting but will transfer the right to receive the merger consideration to the person to whom you transfer your shares. In order to become entitled to receive the merger consideration, you must hold your shares of Colony common stock through the effective time of the Mergers, which the Companies expect will occur in January 2017.

Q: What happens if I sell my shares of NRF common stock before the NRF special meeting?

A: The record date for the NRF special meeting is earlier than both the date of the NRF special meeting and the effective time of the Mergers. If you transfer your shares of NRF common stock after the record date of the NRF special meeting, you will, unless the transferee requests a proxy from you, retain your right to vote at the NRF special meeting but will transfer the right to receive the merger consideration to the person to whom you transfer your shares. In order to become entitled to receive the merger consideration, you must hold your shares of NRF common stock through the effective time of the Mergers, which the Companies expect will occur in January 2017.

Q: Will NSAM, Colony and NRF continue to pay distributions prior to the closing of the Mergers?

A: Yes, each of the Companies expects to continue to pay distributions, including in an amount required to be distributed in order for each of Colony and NRF to qualify as a REIT for the applicable taxable year. Pursuant to the merger agreement:

NSAM is permitted, prior to the closing of the Mergers, to declare distributions to its common stockholders of up to (i) \$0.10 per share of NSAM common stock with respect to each quarter of 2016 so long as the distribution is declared and paid no earlier than the date of declaration and payment in the prior calendar year and (ii) a pro rata portion of the \$0.10 per share dividend for any partial period of the first calendar quarter of 2017. In 2016, NSAM declared its fourth quarter 2015 dividend on February 25, 2016. As a result, if the Mergers are completed on or prior to February 25, 2017, NSAM will not declare a dividend for the fourth quarter of 2016. The NSAM board is also permitted to declare a special dividend in cash in respect of NSAM common stock in an aggregate amount of \$228 million to be paid in 2017 to stockholders of record as of a date on or after January 1, 2017 and prior to the closing of the Mergers.

Colony is permitted, prior to the closing of the Mergers, to declare distributions to its common stockholders of up to (i) \$0.40 per share of Colony common stock with respect to each quarter of 2016 so long as the distribution is declared and paid no earlier than the date of declaration and payment in the prior calendar year and (ii) a pro rata portion of the \$0.40 per share dividend for any partial period of the first calendar quarter of 2017. Colony declared its fourth quarter 2015 dividend on November 4, 2015. Given that the Mergers will not be completed earlier than January 2017, Colony will be permitted to declare its fourth quarter 2016 dividend even if the Mergers are completed.

NRF is permitted, prior to the closing of the Mergers, to declare distributions to its common stockholders of up to (i) \$0.40 per share of NRF common stock in each quarter

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of 2016 so long as the distribution is declared and paid no earlier than the date of declaration and payment in the prior calendar year and (ii) a pro rata portion of the \$0.40 per share dividend for any partial period of the first calendar quarter of 2017. In 2016, NRF declared its fourth quarter 2015 dividend on February 25, 2016. As a result, if the Mergers are completed on or prior to February 25, 2017, NRF will not declare or pay a dividend for the fourth quarter of 2016.

Given their status as REITs, Colony and NRF may need to (and are permitted under the merger agreement to) make certain minimum distributions in excess of the above limits. In the event the amounts of permitted dividends described above are exceeded, pursuant to a distribution necessary for Colony or NRF, as applicable, to qualify as a REIT or to avoid the incurrence of any income or excise tax, the Colony class A exchange ratio, Colony class B exchange ratio and NRF exchange ratio, as applicable, will be adjusted.

Q: What happens if the Mergers are not completed?

A: If the Mergers are not completed, stockholders of NSAM, Colony and NRF will not receive any consideration in connection with the Mergers. Instead, NSAM, Colony and NRF will each remain an independent public company and their respective common stock and preferred stock, as applicable, will continue to be listed and traded on the NYSE. Under certain circumstances, NSAM, Colony or NRF may be required to make a payment to one or more of the other parties. For additional information, refer to the section entitled "The Merger Agreement Termination of the Merger Agreement Termination Fees" and " Payment of Transaction Expenses upon Termination" beginning on page 304 of this joint proxy statement/prospectus.

Q: Who can answer my questions?

A: If you have any questions about the Mergers or how to submit your proxy, or need additional copies of this joint proxy statement/prospectus, the enclosed proxy card or voting instructions, you should contact:

<p>NorthStar Asset Management Group Inc. Attention: General Counsel 399 Park Avenue, 18th Floor New York, New York 10022 (212) 547-2600 www.nsamgroup.com</p>	<p>Colony Capital, Inc. Attention: Investor Relations 515 S. Flower Street, 44th Floor Los Angeles, California 90071 (310) 282-8820 www.colonyinc.com</p>	<p>NorthStar Realty Finance Corp. Attention: Secretary 399 Park Avenue, 18th Floor New York, New York 10022 (212) 547-2600 www.nrfc.com</p>
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You can also contact the proxy solicitors hired by NSAM, Colony and NRF as follows:

<p>NSAM: MacKenzie Partners, Inc. 105 Madison Avenue New York, New York 10016 (212) 929-5500 (800) 322-2885</p>	<p>Colony: D.F. King & Co., Inc. 48 Wall Street, 22nd Floor New York, New York 10005 (212) 269-5550 (866) 751-6311</p>	<p>NRF: Saratoga Proxy Consulting LLC 520 8th Avenue, 14th Floor New York, New York 10018 (212) 257-1311 (888) 368-0379</p>
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NSAM has engaged MacKenzie Partners, Inc. to assist in the solicitation of proxies for the NSAM special meeting. NSAM estimates it will pay MacKenzie Partners, Inc. a fee of up to approximately \$25,000 for the services to be performed. NSAM has also agreed to reimburse MacKenzie Partners, Inc. for reasonable out-of-pocket expenses and disbursements incurred in connection with the proxy solicitation and to indemnify MacKenzie Partners, Inc. against certain losses, costs and expenses. In addition to mailing the proxy solicitation material, NSAM directors and executive officers may also solicit proxies in person, by telephone or by

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any other electronic means of communication deemed appropriate. No additional compensation will be paid to NSAM's directors and executive officers for such services.

Colony has engaged D.F. King & Co., Inc. to assist it in the solicitation of proxies for the Colony special meeting at an aggregate estimated cost of \$20,000 plus out-of-pocket expenses. In addition to mailing the proxy solicitation material, Colony directors, officers and other employees may also solicit proxies in person, by telephone or by any other electronic means of communication deemed appropriate. No additional compensation will be paid to Colony's directors and executive officers for such services.

NRF has engaged Saratoga Proxy Consulting LLC to assist in the solicitation of proxies for the NRF special meeting. NRF estimates it will pay Saratoga Proxy Consulting LLC a fee of up to approximately \$25,000 for the services to be performed. NRF has also agreed to reimburse Saratoga Proxy Consulting LLC for reasonable out-of-pocket expenses and disbursements incurred in connection with the proxy solicitation and to indemnify Saratoga Proxy Consulting LLC against certain losses, costs and expenses. In addition to mailing the proxy solicitation material, NRF directors and executive officers may also solicit proxies in person, by telephone or by any other electronic means of communication deemed appropriate. No additional compensation will be paid to NRF's directors and executive officers for such services.

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SUMMARY

The following summary highlights some of the information contained in this joint proxy statement/prospectus. This summary may not contain all of the information that is important to you. For a more complete description of the merger agreement, the Mergers and related transactions we are proposing, the Companies encourage you to read carefully this entire joint proxy statement/prospectus, including the attached Annexes and the other documents referred to herein. Each item in this summary includes a page reference directing you to a more complete discussion of that topic. The Companies also encourage you to read the information incorporated by reference into this joint proxy statement/prospectus, which includes important business and financial information about NSAM, Colony and NRF that has been filed with the SEC. You may obtain the information incorporated by reference into this joint proxy statement/prospectus without charge by following the instructions in the section entitled "Where You Can Find More Information; Incorporation by Reference" beginning on page 420 of this joint proxy statement/prospectus.

Parties to the Merger Agreement (Page 81)

NSAM Entities

NorthStar Asset Management Group Inc.

NSAM, a Delaware corporation, is a publicly-traded global asset management firm focused on strategically managing real estate and other investment platforms in the United States and internationally. NSAM provides asset management and other services by managing NRE, NRF and companies that raise capital through the retail market, and future sponsored companies that raise money from retail investors. NSAM earns asset management and other fees pursuant to management and other contracts and through its direct and indirect investments in strategic partnerships and joint ventures. In addition, NSAM owns NorthStar Securities, LLC, a captive broker-dealer platform that raises capital in the retail market.

NSAM seeks to expand the scope of its asset management business beyond real estate into new asset classes and geographies by organically creating and managing additional investment vehicles or through acquisitions, strategic partnerships and joint ventures. On January 29, 2016, NSAM acquired an approximate 84% interest in Townsend Holdings LLC, which is the manager or advisor to \$175.3 billion of assets as of March 31, 2016.

As of March 31, 2016, adjusted for sales, acquisitions and commitments to sell or acquire investments by the companies managed by NSAM that raise capital through the retail market, the future sponsored companies that raise money from retail investors, NRE and NRF, which we refer to, collectively, as NSAM's managed companies, NSAM had \$35 billion of assets under management. In addition, from its inception to date, NSAM has invested \$100 million in direct investments in entities that manage \$10 billion, including assets held by NSAM's managed companies, across a variety of asset classes.

NSAM common stock is traded on the NYSE under the symbol "NSAM."

Colony NorthStar, Inc.

Colony NorthStar, formerly known as New Polaris, Inc., a Maryland corporation and a wholly owned subsidiary of NSAM, was formed solely for the purpose of facilitating the Mergers and related transactions contemplated by the merger agreement. Colony NorthStar has not carried on any activities or operations to date, except for those activities incidental to its formation and undertaken in connection with the transactions contemplated by the merger agreement. The merger agreement

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provides for the mergers of NSAM, New NRF Parent and Colony into Colony NorthStar, which will be the publicly traded entity for the combined company following the effective time of the Mergers.

Colony Entities

Colony Capital, Inc.

Colony, a Maryland corporation, is a publicly-traded global real estate and investment management firm that has elected to be taxed as a REIT for U.S. federal income tax purposes. Colony manages capital on behalf of both its stockholders and limited partners in private investment funds under its management where Colony may earn management fees and carried interests. Colony's investment portfolio is primarily composed of (i) real estate equity; (ii) real estate debt; and (iii) investment management of Colony-sponsored private equity funds and vehicles.

As of March 31, 2016, Colony has historically sponsored \$25 billion of equity across a variety of distinct funds and investment vehicles that collectively invested over \$64 billion of total capital.

Colony class A common stock is traded on the NYSE under the symbol "CLNY."

NRF Entities

NorthStar Realty Finance Corp.

NRF, a Maryland corporation, is a publicly-traded, diversified commercial real estate company that has elected to be taxed as a REIT for U.S. federal income tax purposes. It is managed by an affiliate of NSAM. NRF's primary business objectives are to make diversified real estate-related investments that produce attractive risk-adjusted returns, generate stable cash flow for distribution to its stockholders and build long-term franchise value. NRF's core business activities include acquiring commercial real estate properties, such as healthcare, hotels, manufactured housing communities, office and retail net lease and multifamily; making opportunistic investments such as indirect interests in real estate through private equity real estate funds; and originating, structuring and acquiring commercial real estate debt.

As of May 5, 2016, adjusted for sales and commitments to sell investments, NRF had \$13 billion of balance sheet investments, comprised of 85% real estate equity assets and 15% commercial real estate debt and securities assets.

NRF common stock is traded on the NYSE under the symbol "NRF."

New Sirius Inc.

New NRF Parent, a Maryland corporation and a wholly owned subsidiary of NRF, was formed solely for the purpose of facilitating the Mergers and related transactions contemplated by the merger agreement. New NRF Parent has not carried on any activities or operations to date, except for those activities incidental to its formation and undertaken in connection with the transactions contemplated by the merger agreement.

NorthStar Realty Finance Limited Partnership

NRF LP, a Delaware limited partnership and a subsidiary of NRF, holds, directly or indirectly, substantially all of NRF's assets and NRF conducts its operations, directly or indirectly, through NRF LP.

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Sirius Merger Sub-T, LLC

Sirius Merger Sub-T, LLC, which we refer to as NRF OP Merger Sub, a Delaware limited liability company and a wholly owned subsidiary of NRF, was formed solely for the purpose of facilitating the Mergers and related transactions contemplated by the merger agreement. NRF OP Merger Sub has not carried on any activities or operations to date, except for those activities incidental to its formation and undertaken in connection with the transactions contemplated by the merger agreement.

New Sirius Merger Sub, LLC

New Parent Merger Sub, a Delaware limited liability company and a wholly owned subsidiary of New NRF Parent, was formed solely for the purpose of facilitating the Mergers and related transactions contemplated by the merger agreement. New Parent Merger Sub has not carried on any activities or operations to date, except for those activities incidental to its formation and undertaken in connection with the transactions contemplated by the merger agreement.

The Mergers and Related Transactions (Page 276)

The terms and conditions of the Mergers and certain other transactions are contained in the merger agreement, a copy of which is attached to this joint proxy statement/prospectus as Annex A. On each of July 28, 2016 and October 16, 2016, the parties to the merger agreement entered into a separate letter agreement to reflect revised forms of Colony NorthStar's charter and bylaws, which forms of charter and bylaws are attached as Annexes B and C, respectively, to this joint proxy statement/prospectus, and to make certain other amendments to the merger agreement, including to provide that the number of members of the Colony NorthStar board as of the consummation of the Mergers shall be 10 and to increase the special cash dividend that NSAM is permitted to declare prior to the closing of the Mergers for payment to its stockholders from \$128 million to \$228 million. A copy of each letter agreement is included as part of Annex A attached to this joint proxy statement/prospectus. We encourage you to read the merger agreement carefully and in its entirety, as it is the principal document that governs the Mergers and related transactions contemplated by the merger agreement.

The Reorganization Transactions (Page 277)

Prior to the effective time of the NRF merger and Colony merger, each of NSAM and NRF will engage in certain internal reorganization transactions, which are described below.

The Redomestication Merger (Page 277)

Pursuant to the merger agreement, NSAM will merge with and into Colony NorthStar, with Colony NorthStar surviving the merger pursuant to Section 253 of the General Corporation Law of the State of Delaware, which we refer to as the DGCL, and Section 3-101, et seq. of the MGCL. At the effective time of the Redomestication merger, each share of NSAM common stock will be converted into one share of Colony NorthStar class A common stock and each share of NSAM performance common stock will be converted into one share of Colony NorthStar performance common stock. Prior to the completion of the Redomestication merger, Colony NorthStar will file with the State Department of Assessments and Taxation of Maryland the Colony NorthStar charter. Concurrently with the acceptance for record by the State Department of Assessments and Taxation of Maryland of the Colony NorthStar charter, the Colony NorthStar bylaws will become effective. The principal effect of the Redomestication merger is to reorganize NSAM as a Maryland corporation under the charter and bylaws referenced in the immediately preceding sentence, which contain provisions customary for a

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publicly traded REIT, including ownership restrictions intended to preserve REIT status for U.S. federal income tax purposes.

Prior to the closing of the Mergers, NSAM expects the NSAM board or a duly authorized committee thereof to declare a special cash dividend in an aggregate amount of \$228 million to common stockholders of NSAM as of a record date prior to the effective time of the Redomestication merger. Such dividend will be paid on or following January 1, 2017. Neither this dividend nor the Redomestication merger is conditioned on the other.

The following illustration shows the basic structure of NSAM before and after the Redomestication merger.

The NRF Reorganization Transactions (Page 277)

Pursuant to the merger agreement, NRF will engage in certain internal reorganization transactions, including the merger of NRF LP with and into NRF, with NRF surviving the merger and the merger of New Parent Merger Sub with and into NRF, with NRF surviving the merger. The principal result of the NRF reorganization transactions is to convert the outstanding ownership interests of NRF's operating partnership, NRF LP, that are not held by NRF into NRF common stock and to create a new holding company, New NRF Parent, for NRF.

In connection with the merger of NRF LP with and into NRF and related reorganization transactions: (i) each NRF LTIP unit outstanding as of immediately prior to such effective time will be deemed to be fully vested and converted into one share of NRF common stock; (ii) each partnership unit in NRF LP designated as a partnership common unit outstanding as of immediately prior to such effective time (other than those held by NRF) will be converted into one share of NRF common stock; and (iii) each other interest in NRF LP held by NRF will no longer be outstanding and will automatically be cancelled and will cease to exist.

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In connection with the merger of New Parent Merger Sub with and into NRF:

each share of NRF common stock issued and outstanding as of immediately prior to the effective time of such merger automatically will be cancelled and converted into the right to receive one share of New NRF Parent common stock; and

each share of each series of NRF preferred stock will be converted into the right to receive one share of a corresponding series of New NRF Parent preferred stock.

Following the merger of NRF into New Parent Merger Sub, NRF, as the surviving entity, will convert into a Maryland limited liability company.

The following illustration shows the basic structure of NRF before and after the NRF reorganization transactions.

The NRF Merger and Colony Merger (Page 279)

Immediately following the reorganization transactions, the NRF merger and Colony merger will occur and in that order. Pursuant to the merger agreement, each such merger and related transactions contemplated by the merger agreement to be completed at closing will occur only if such transactions are completed at closing.

The NRF Merger (Page 279)

Pursuant to the merger agreement, immediately following the reorganization transactions, New NRF Parent will merge with and into Colony NorthStar with Colony NorthStar surviving the merger.

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At the effective time of the NRF merger:

each share of New NRF Parent common stock will be converted into the right to receive 1.0996 shares of Colony NorthStar class A common stock; and

each share of each series of New NRF Parent preferred stock will be converted into the right to receive one share of a corresponding series of Colony NorthStar preferred stock.

As described in more detail in the section entitled "The Merger Agreement The Mergers and Related Transactions The NRF Merger and the Colony Merger" beginning on page 279 of this joint proxy statement/prospectus, the NRF exchange ratio may be subject to adjustment only under certain limited circumstances as set forth in the merger agreement.

The following illustration shows the basic structure of Colony NorthStar and New NRF Parent before and after the NRF merger.

The Colony Merger (Page 280)

Pursuant to the merger agreement, immediately following the NRF merger, Colony will merge with and into Colony NorthStar, with Colony NorthStar surviving the merger.

At the effective time of the Colony merger:

each share of Colony class A common stock will be converted into the right to receive 1.4663 shares of Colony NorthStar class A common stock;

each share of Colony class B common stock will be converted into the right to receive 1.4663 shares of Colony NorthStar class B common stock; and

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each share of each series of Colony preferred stock will be converted into the right to receive one share of a corresponding series of Colony NorthStar preferred stock.

As described in more detail in the section entitled "The Merger Agreement The Mergers and Related Transactions The NRF Merger and the Colony Merger" beginning on page 279 of this joint proxy statement/prospectus, the Colony class A exchange ratio and Colony class B exchange ratio are subject to adjustment only under certain limited circumstances as set forth in the merger agreement.

The following illustration shows the basic structure of Colony NorthStar and Colony before and after the Colony merger.

Treatment of Equity Awards

Treatment of NSAM and Colony NorthStar Equity Awards and NSAM LTIP Units (Page 281)

At the effective time of the Redomestication merger, each outstanding NSAM equity award will be assumed by Colony NorthStar and converted into a Colony NorthStar equity award having the same terms and conditions as those of the corresponding NSAM equity award immediately prior to the Redomestication merger and the NSAM stock plans will be assumed by Colony NorthStar. At the effective time of the NRF merger, each outstanding Colony NorthStar equity award will be treated in connection with the consummation of the NRF merger in accordance with its terms set forth in the applicable NSAM stock plans and/or award agreements, and each NSAM LTIP unit will be treated in connection with the consummation of the NRF merger in accordance with its terms and the terms of the NSAM LP limited partnership agreement.

Substantially all currently outstanding NSAM equity awards and NSAM LTIP units that are scheduled to vest based solely on continued service or employment, including all of such NSAM equity

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awards and NSAM LTIP units held by NSAM's directors and executive officers, will vest in accordance with their terms upon the closing of the Mergers. The number of shares that will be earned pursuant to all currently outstanding performance-based NSAM equity awards that are subject to vesting based on total stockholder return over a performance period scheduled to end in 2017 or thereafter will be determined upon the closing of the Mergers. The number of shares to be earned by each of the NSAM executive officers pursuant to these awards upon the closing of the Mergers was fixed pursuant to agreements entered into in connection with the signing of the merger agreement. The fixed amounts were based on pre-signing stock prices and an assumed closing date in January 2017, except that Messrs. Hamamoto, Tyllis and Gilbert each agreed to forfeit a majority of the shares that each was projected to earn. The number of shares that will be earned by other holders of these awards upon the closing of the Mergers will be based on a vesting percentage equal to the greater of: (i) the percentage of the performance period that has elapsed through the date of the closing; or (ii) the percentage that would have been earned at the end of the performance period based on the value of the consideration received for NSAM common stock in the Mergers. Any portion of these performance-based equity awards that is not earned upon the closing of the Mergers will be forfeited.

Treatment of Colony Equity Awards and Colony LTIP Units (Page 281)

At the effective time of the Colony merger, each outstanding Colony equity award will be treated in connection with the consummation of the Colony merger in accordance with the terms set forth in the applicable Colony stock plans and/or award agreements. Each Colony equity award that is outstanding immediately prior to the effective time of the Colony merger that does not vest and is not forfeited in connection with the consummation of the Colony merger by its terms will be assumed by Colony NorthStar and will be converted into a Colony NorthStar equity award as set forth in the merger agreement. At the effective time of the Colony merger, each outstanding Colony LTIP unit, if any, will be treated in connection with the consummation of the Colony merger in accordance with its terms and the limited liability company agreement of Colony OP.

Treatment of NRF Equity Awards and NRF LTIP Units (Page 282)

In connection with NRF's internal reorganization transactions, all of the outstanding NRF LTIP units will be fully vested and converted into an equal number of shares of NRF common stock, each NRF equity award will be assumed by New NRF Parent and will be converted into the right to receive a New NRF Parent equity award having the same terms and conditions as those of the corresponding NRF equity award and the NRF stock plan will be assumed by New NRF Parent. At the effective time of the NRF merger, each outstanding New NRF Parent equity award will be treated in connection with the consummation of the NRF merger in accordance with its terms set forth in the applicable NRF stock plan and/or award agreements. Each New NRF Parent equity award that is outstanding immediately prior to the effective time of the NRF merger that does not vest and is not forfeited in connection with the consummation of the NRF merger by its terms will be assumed by Colony NorthStar and will be converted into a Colony NorthStar equity award as set forth in the merger agreement. If the aggregate number of shares of NRF common stock and New NRF Parent common stock issuable upon conversion of NRF LTIP units (or common units of NRF LP issued upon conversion of NRF LTIP units) or pursuant to the New NRF Parent equity awards in connection with the NRF merger would be greater than the number of shares available for issuance under the NRF stock plan, and in the event the parties determine that these obligations cannot be settled in shares of Colony NorthStar class A common stock in accordance with applicable law and stock exchange rules, then a pro rata portion of these awards will be settled in cash instead of shares.

Substantially all currently outstanding NRF equity awards that are scheduled to vest based solely on continued service or employment, including all of such NRF equity awards held by NRF's directors and executive officers, will vest in accordance with their terms upon the closing of the

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Mergers. The number of shares that will be earned pursuant to the currently outstanding performance-based NRF equity awards that are subject to vesting based on total stockholder return over a performance period scheduled to end in 2017 or thereafter, all of which are held by certain NRF executive officers, was fixed pursuant to agreements entered into with such NRF executive officers in connection with the signing of the merger agreement. The number of shares that would have been earned upon the closing of the Mergers in the absence of these agreements would have been based on a vesting percentage equal to the greater of: (i) the percentage of the performance period that had elapsed through the date of the closing; or (ii) the percentage that would have been earned at the end of the performance period based on the value of the consideration received for NRF common stock in the Mergers and, if applicable, the value of the common stock of NRE, upon the closing of the Mergers. The fixed amounts were based on pre-signing stock prices and an assumed closing date in January 2017, except that Messrs. Hamamoto, Tylis and Gilbert each agreed to forfeit a majority of the shares that each was projected to earn. The portion of these performance-based equity awards that is not earned upon the closing of the Mergers will be forfeited. For additional information regarding the treatment of NRF equity awards held by NRF's directors and executive officers, refer to the section entitled "The Mergers Interests of NRF's Directors and Executive Officers in the Mergers" beginning on page 220 of this joint proxy statement/prospectus.

Post-Closing Ownership (Page 63)

After giving effect to all the Mergers, it is anticipated that NSAM stockholders will own approximately 32.85%, Colony stockholders will own approximately 33.25% and NRF stockholders will own approximately 33.90% of Colony NorthStar, on a fully diluted basis, excluding the effect of certain equity-based awards issuable in connection with the Mergers. In addition, as noted above, the exchange ratios may be adjusted only under certain limited circumstances as set forth in the merger agreement, which would adjust these percentages.

Post-Closing Share Repurchase Program and Planned Deleveraging Transactions (Page 307)

Subject to the approval of the Colony NorthStar board and subject to its ability to continue to qualify as a REIT, following the closing of the Mergers, Colony NorthStar currently intends to initiate a share repurchase program under which it may repurchase shares of its class A common stock in the open market or otherwise, and/or engage in deleveraging transactions, including repayment of debt or repurchase of preferred stock, in an aggregate amount of up to \$1.0 billion. The actual number of shares to be repurchased will depend, however, on the market price of Colony NorthStar class A common stock at the time it is implemented. Assuming the entire \$1.0 billion program was used to repurchase shares of Colony NorthStar class A common stock, and using the closing price of NSAM common stock as reported on the NYSE on November 11, 2016, the program would involve the purchase of approximately 72.5 million shares of Colony NorthStar class A common stock. It is expected that the program would be in effect initially for one year. There can be no assurance as to the number of shares that will be repurchased or the amount of any deleveraging transactions, and the share repurchase program and/or plans to deleverage can be discontinued at any time.

Amendment and Restatement of the Colony NorthStar Charter and Bylaws and the REIT Conversion (Page 366)

Pursuant to the merger agreement, prior to or as of the effective time of the Redomestication merger, Colony NorthStar's charter and bylaws will be amended and restated to, among other things, include certain provisions similar to those in Colony and NRF's charters and bylaws that will help enable Colony NorthStar to qualify as a REIT. Forms of the Colony NorthStar charter and bylaws are attached as Annex B and Annex C, respectively, of this joint proxy statement/prospectus. Refer to the sections entitled "Certain Provisions of Maryland Law and of the Colony NorthStar Charter and the

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Colony NorthStar Bylaws" beginning on page 366 of this joint proxy statement/prospectus and "Comparison of Rights of Stockholders of NSAM, Colony and NRF with the Rights of Stockholders of Colony NorthStar" beginning on page 373 of this joint proxy statement/prospectus.

Following the Mergers, Colony NorthStar intends to elect to be treated as a REIT, effective January 1, 2017. A company that qualifies and elects to be taxed as a REIT generally will not be subject to U.S. federal income tax on its real estate investment trust taxable income that it distributes to its stockholders. A company's qualification as a REIT under the Code depends on its ability to meet, on a continuing basis, through actual investment and operating results, various highly technical and complex requirements under the Code relating to, among other things, the sources of its gross income, the composition and value of its assets, its distribution levels and the diversity of ownership of its shares. The Companies believe that Colony NorthStar will be organized in conformity with the requirements for qualification and taxation as a REIT commencing with its taxable year beginning January 1, 2017. Even if Colony NorthStar qualifies as a REIT under the Code, it may be subject to some U.S. federal, state and local and foreign taxes on its income and property. Given the complex and highly technical nature of the Code requirements that Colony NorthStar must satisfy in order to qualify as a REIT, the ongoing importance of factual determinations and the possibility of future changes in Colony NorthStar's circumstances and the laws and regulations applicable to an entity that seeks to qualify as a REIT under the Code, there is no assurance that Colony NorthStar will qualify as a REIT under the Code for any particular taxable year. Refer to the section entitled "U.S. Federal Income Tax Consequences U.S. Federal Income Taxation of Colony NorthStar and its Stockholders" beginning on page 233 of this joint proxy statement/prospectus.

Financing Related to the Mergers (Page 300)

Colony has obtained financing commitments to fund the refinancing of certain specified borrowings of the Companies and their affiliates in connection with the consummation of the transactions contemplated by the merger agreement. The merger agreement requires Colony to use its reasonable best efforts to obtain the financing on the terms and conditions set forth in the financing commitments. The merger agreement also requires the parties to use their respective reasonable best efforts to obtain supplemental financing to the extent that Colony NorthStar is not expected to have sufficient funds to complete the transactions contemplated by the merger agreement, provided that any such effort would not reasonably be expected to result in a material adverse effect on Colony NorthStar or any of NSAM, Colony or NRF, as applicable.

The Integration Transactions (Page 280)

Following the Colony merger, Colony NorthStar and its subsidiaries will engage in certain transactions intended to integrate the respective businesses and assets of NSAM, Colony and NRF. Such transactions are expected to include, among other things, the contribution of NRF LP to Colony OP and the consolidation of NSAM LP with and into Colony OP.

Governance of Colony NorthStar Following the Mergers

Location

Following the Mergers, Colony NorthStar will maintain a significant presence in both New York, New York and Los Angeles, California.

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Board of Directors

Pursuant to the merger agreement, following the consummation of the Colony merger, the Colony NorthStar board will consist of 10 members, of whom five will be designated by NSAM and NRF and five will be designated by Colony. Eight of the 10 members will be independent under applicable NYSE rules.

The Companies have announced that NSAM and NRF intend to designate David T. Hamamoto (current Executive Chairman of NSAM and Chairman of NRF), Jon A. Fosheim, Douglas Crocker II and two existing independent directors of NSAM and NRF as members of the Colony NorthStar board and Colony intends to designate Thomas J. Barrack, Jr. (current Executive Chairman of Colony) and four other existing independent directors of Colony, Nancy A. Curtin, George G. C. Parker, John A. Somers and John L. Steffens, as members of the Colony NorthStar board.

In addition, David T. Hamamoto has agreed to resign from the Colony NorthStar board if his stock ownership in Colony NorthStar falls below 50% of his stock ownership of Colony NorthStar on the closing date.

Management

The senior executive management team of Colony NorthStar will be as shown in this table:

Name and Current Title(s)	Expected Position at Colony NorthStar
Thomas J. Barrack, Jr. currently Executive Chairman of Colony and a member of the Colony board	Executive Chairman
David T. Hamamoto currently Executive Chairman of NSAM and Chairman of NRF and a member of the NSAM board and the NRF board	Executive Vice Chairman
Richard B. Saltzman currently Chief Executive Officer and President of Colony and a member of the Colony board	Chief Executive Officer
Darren J. Tangen currently Chief Financial Officer of Colony	Chief Financial Officer
Mark M. Hedstrom currently Chief Operating Officer of Colony	Chief Operating Officer
The NSAM Special Meeting (Page 85)	

The NSAM special meeting will be held at Morgan Stanley, located at 522 5th Avenue, Conference Room 3A, New York, New York 10036, on December 20, 2016, commencing at 10:00 a.m. (Eastern Time). The NSAM special meeting is being held in order for NSAM common stockholders to consider and vote on:

- the NSAM merger proposal;
- the NSAM charter proposal;
- the NSAM compensation proposal; and
- the NSAM adjournment proposal.

The NSAM board has fixed the close of business on November 2, 2016 as the record date for determination of NSAM common stockholders entitled to receive notice of, and to vote at, the NSAM special meeting and any postponements or adjournments of the NSAM special meeting. Only holders

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of record of NSAM common stock at the close of business on the record date are entitled to receive notice of, and to vote at, the NSAM special meeting. Each share of NSAM common stock is entitled to one vote on each of the NSAM merger proposal, the NSAM charter proposal, the NSAM compensation proposal and the NSAM adjournment proposal.

Quorum

The holders of a majority of the outstanding shares of NSAM common stock entitled to vote on a matter at the NSAM special meeting, present in person or represented by proxy, will constitute a quorum at the NSAM special meeting. All shares of NSAM common stock, represented in person or by proxy, including abstentions and broker non-votes, will be treated as present for purposes of determining the presence or absence of a quorum for all matters voted on at the NSAM special meeting. The NSAM adjournment proposal may be approved without a quorum being present.

Vote Required

Approval of the NSAM merger proposal and the NSAM charter proposal requires the affirmative vote of the holders of a majority of the outstanding shares of NSAM common stock entitled to vote on such proposals. If you abstain or fail to vote your shares, including shares held by a broker or other nominee, in favor of the NSAM merger proposal and NSAM charter proposal, this will have the same effect as a vote "AGAINST" such proposals. **The Mergers may not be completed unless the NSAM merger proposal and the NSAM charter proposal are so approved.**

Approval of each of the NSAM compensation proposal and the NSAM adjournment proposal requires the affirmative vote of the holders of a majority of the shares of NSAM common stock present in person or represented by proxy at the NSAM special meeting entitled to vote on such proposal. Abstentions will have the same effect as votes "AGAINST" these proposals. Failures to vote and broker non-votes will have no effect on the approval of these proposals if a quorum is present. The NSAM adjournment proposal also may be approved without a quorum being present by the affirmative vote of the holders of a majority of the shares of NSAM common stock present or represented by proxy at the NSAM special meeting.

Recommendation of the NSAM Special Committee and the NSAM Board (Page 85)

The NSAM special committee has unanimously: (i) determined that each of the merger agreement, the transactions contemplated by the merger agreement, including the Mergers, the Colony NorthStar charter and the other related matters and agreements described in this joint proxy statement/prospectus are advisable, fair to and in the best interests of NSAM and its stockholders; (ii) recommended that the NSAM board submit for consideration and adoption or approval by NSAM stockholders at the NSAM special meeting the Redomestication merger, the merger agreement, the Colony NorthStar charter and other related matters as described in this joint proxy statement/prospectus; and (iii) recommended that the NSAM board recommend to NSAM stockholders that they vote in favor of the adoption or approval of such matters.

The NSAM board, following the unanimous recommendation of the NSAM special committee, has: (i) determined that each of the merger agreement, the transactions contemplated by the merger agreement, including the Mergers, the Colony NorthStar charter and the other related matters and agreements described in this joint proxy statement/prospectus are advisable, fair to and in the best interests of NSAM and its stockholders; and (ii) approved, adopted and declared advisable the Redomestication merger, the merger agreement, the Colony NorthStar charter and other related matters as described in this joint proxy statement/prospectus, as well as the other agreements related to the foregoing.

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Accordingly, the NSAM board, following the unanimous recommendation of the NSAM special committee, recommends that you vote "FOR" the NSAM merger proposal, "FOR" the NSAM charter proposal, "FOR" the NSAM compensation proposal and "FOR" the NSAM adjournment proposal.

The Colony Special Meeting (Page 92)

The Colony special meeting will be held at Morgan Stanley, located at 522 5th Avenue, Conference Room 3A, New York, New York 10036, on December 20, 2016, commencing at 11:00 a.m. (Eastern Time). The Colony special meeting is being held in order for Colony common stockholders to consider and vote on:

the Colony merger proposal;

the Colony charter proposal;

the Colony compensation proposal; and

the Colony adjournment proposal.

The Colony board has fixed the close of business on November 2, 2016 as the record date for determination of Colony common stockholders entitled to receive notice of, and to vote at, the Colony special meeting and any postponements or adjournments of the Colony special meeting. Only holders of record of Colony common stock at the close of business on the record date are entitled to receive notice of, and to vote at, the Colony special meeting. Holders of Colony class A common stock and Colony class B common stock vote together on all proposals for consideration at the Colony special meeting. Each holder of Colony class A common stock is entitled to one vote per share on each of the Colony merger proposal, the Colony charter proposal, the Colony compensation proposal and the Colony adjournment proposal. Thomas J. Barrack, Jr. and/or his affiliates, as the sole holders of Colony class B common stock, are entitled to 36.5 votes per share of Colony class B common stock on each of the Colony merger proposal, the Colony charter proposal, the Colony compensation proposal and the Colony adjournment proposal.

Quorum

The presence in person or by proxy of stockholders entitled to cast a majority of all votes at the Colony special meeting will constitute a quorum at the Colony special meeting. All shares of Colony common stock, represented in person or by proxy, including abstentions and broker non-votes, will be treated as present for purposes of determining the presence or absence of a quorum for all matters voted on at the Colony special meeting. The Colony adjournment proposal may be approved without a quorum being present.

Vote Required

Approval of the Colony merger proposal and the Colony charter proposal requires the affirmative vote of the holders of a majority of the votes entitled to be cast by the holders of the outstanding shares of Colony common stock, voting together as a single class. If you abstain or fail to vote your shares, including shares held by a broker or other nominee, in favor of the Colony merger proposal and Colony charter proposal, this will have the same effect as a vote "**AGAINST**" such proposal. **The Mergers may not be completed unless the Colony merger proposal and the Colony charter proposal are so approved.**

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Approval of each of the Colony compensation proposal and the Colony adjournment proposal each require the affirmative vote of the holders of a majority of the votes cast on such proposals. Abstentions, failures to vote and broker non-votes will have no effect on the approval of these proposals if a quorum is present. The Colony adjournment proposal also may be approved without a quorum being present by the holders of Colony common stock by the affirmative vote of the holders of a majority of the votes cast.

Recommendation of the Colony Board (Page 92)

The Colony board, has unanimously: (i) determined that the Colony merger is advisable and in the best interests of Colony and recommended that its stockholders approve the Colony merger and the transactions contemplated by the merger agreement to the extent applicable to Colony; and (ii) approved Colony's entry into the merger agreement, the transactions contemplated by the merger agreement and other related agreements as described in this joint proxy statement/prospectus.

Accordingly, the Colony board recommends that you vote "FOR" the Colony merger proposal, "FOR" the Colony charter proposal, "FOR" the Colony compensation proposal and "FOR" the Colony adjournment proposal.

The NRF Special Meeting (Page 98)

The NRF special meeting will be held at Morgan Stanley, located at 522 5th Avenue, Conference Room 3A, New York, New York 10036, on December 20, 2016, commencing at 9:00 a.m. (Eastern Time). The NRF special meeting is being held for NRF common stockholders to consider and vote on:

the NRF merger proposal;

the NRF charter proposal;

the NRF compensation proposal; and

the NRF adjournment proposal.

Completion of the Mergers requires, among other things, the approval of the NRF merger proposal and the NRF charter proposal. The approval of the NRF compensation proposal and approval of the NRF adjournment proposal is not required to complete the Mergers.

The NRF board has fixed the close of business on November 2, 2016 as the record date for determination of NRF common stockholders entitled to receive notice of, and to vote at, the NRF special meeting and any postponements or adjournments of the NRF special meeting. Only holders of record of NRF common stock at the close of business on the record date are entitled to receive notice of, and to vote at, the NRF special meeting. Each share of NRF common stock is entitled to one vote on each of the NRF merger proposal, the NRF charter proposal, the NRF compensation proposal and the NRF adjournment proposal.

Quorum

The presence in person or by proxy of stockholders entitled to cast a majority of all the votes entitled to be cast at the NRF special meeting will constitute a quorum at the NRF special meeting. All shares of NRF common stock, represented in person or by proxy, including abstentions and broker non-votes, will be treated as present for purposes of determining the presence or absence of a quorum for all matters voted on at the NRF special meeting.

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Vote Required

Approval of the NRF merger proposal and the NRF charter proposal requires the affirmative vote of the holders of a majority of the outstanding shares of NRF common stock entitled to vote on such proposals. If you abstain or fail to vote your shares, including shares held by a broker or other nominee, in favor of the NRF merger proposal and NRF charter proposal, this will have the same effect as a vote "**AGAINST**" such proposals. **The Mergers may not be completed unless the NRF merger proposal and the NRF charter proposal are so approved.**

Approval of the NRF compensation proposal and the NRF adjournment proposal requires the affirmative vote of a majority of the votes cast on such proposal. Abstentions, failures to vote and broker non-votes will have no effect on the approval of these proposals if a quorum is present.

Recommendation of the NRF Special Committee and the NRF Board (Page 98)

The NRF special committee has unanimously: (i) determined that each of the merger agreement, the Mergers and related transactions contemplated by the merger agreement are advisable and in the best interests of NRF; (ii) recommended that the NRF board approve NRF's entry into the merger agreement, the transactions contemplated by the merger agreement and other related agreements as described in this joint proxy statement/prospectus; and (iii) recommended that the NRF board direct that the New NRF Holdco merger and the related transactions contemplated by the merger agreement be submitted for consideration at a meeting of the NRF common stockholders, and that the NRF board recommend that the holders of NRF common stock vote to approve the same.

The NRF board, following the unanimous recommendation of the NRF special committee, has: (i) determined that each of the merger agreement, the Mergers and related transactions contemplated by the merger agreement are advisable and in the best interests of NRF; (ii) approved, subject to any stockholder approval required by law, NRF's entry into the merger agreement, the transactions contemplated by the merger agreement and other related agreements as described in this joint proxy statement/prospectus and authorized NRF to execute and deliver the merger agreement and the other related agreements described in this joint proxy statement/prospectus; and (iii) directed that the New NRF Holdco merger and related transactions contemplated by the merger agreement be submitted for consideration at a meeting of the NRF common stockholders, with the recommendation that holders of NRF common stock vote to approve the same.

Accordingly, the NRF board, following the unanimous recommendation of the NRF special committee, recommends that you vote "FOR" the NRF merger proposal, "FOR" the NRF charter proposal, "FOR" the NRF compensation proposal and "FOR" the NRF adjournment proposal.

Opinion of the NSAM Special Committee's Financial Advisor (Page 153 and Annex D)

The NSAM special committee retained Evercore Group L.L.C., which we refer to as Evercore, as financial advisor to the NSAM special committee in connection with the Mergers and related transactions contemplated by the merger agreement. In connection with this engagement, the NSAM special committee requested that Evercore evaluate the fairness, from a financial point of view, to the holders of the NSAM common stock, after giving effect to the payment of the \$128 million NSAM special dividend, which we refer to as the original NSAM special dividend, of the NRF exchange ratio, the Colony class A exchange ratio and the Colony class B exchange ratio. On June 2, 2016, Evercore rendered to the NSAM special committee its oral opinion, which was subsequently confirmed by delivery of a written opinion dated as of such date, to the effect that, as of such date and based upon and subject to the factors, procedures, assumptions, qualifications and limitations set forth in Evercore's written opinion, the NRF exchange ratio, the Colony class A exchange ratio and the Colony class B exchange ratio were fair, from a financial point of view, to the holders of NSAM common stock.

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Evercore's opinion was rendered prior to the negotiation and execution of the letter agreements dated July 28, 2016 and October 16, 2016, among the parties to the merger agreement and the change from the original NSAM special dividend to the NSAM special dividend, and thus Evercore did not consider such matters in connection with its opinion.

The full text of Evercore's written opinion, dated June 2, 2016, which sets forth, among other things, the assumptions made, procedures followed, matters considered and qualifications and limitations on the scope of review undertaken by Evercore in delivering its opinion, is attached as Annex D to this joint proxy statement/prospectus and is incorporated herein by reference in its entirety. **Evercore's financial advisory services and opinion were provided for the information and assistance of the NSAM special committee (in their capacity as members of the NSAM special committee and not in any other capacity) in connection with and for purposes of its consideration of the Mergers and Evercore's opinion addressed only the fairness, from a financial point of view, as of the date thereof, to the holders of NSAM common stock of the NRF exchange ratio, the Colony class A exchange ratio and the Colony class B exchange ratio. Evercore's opinion did not address any other term or aspect of the merger agreement or the Mergers and does not constitute a recommendation to any stockholder of NSAM or any other person as to how such stockholder or other person should vote with respect to the Mergers or otherwise act with respect to any other matter.**

Opinion of NSAM's Financial Advisor (Page 166 and Annex E)

NSAM retained Goldman, Sachs & Co., which we refer to as Goldman Sachs, as its financial advisor in connection with the Mergers and related transactions contemplated by the merger agreement. In connection with this engagement, the NSAM board requested that Goldman Sachs evaluate the fairness, from a financial point of view, to the holders (other than Colony, NRF and their respective affiliates) of the NSAM common stock, as of June 2, 2016 and taking into account the original NSAM special dividend, the NRF merger and the Colony merger, of the NSAM exchange ratio, pursuant to the merger agreement (not including as amended). On June 2, 2016, Goldman Sachs rendered to the NSAM board its oral opinion, which was subsequently confirmed by delivery of a written opinion dated as of such date, that, as of such date and based upon and subject to the factors and assumptions as set forth in Goldman Sachs' written opinion, and taking into account the original NSAM special dividend, the NRF merger and the Colony merger, the NSAM exchange ratio pursuant to the merger agreement was fair, from a financial point of view, to the holders (other than NRF, Colony and their respective affiliates) of NSAM common stock.

The full text of Goldman Sachs' written opinion, dated June 2, 2016, which sets forth the assumptions made, procedures followed, matters considered and qualifications and limitations on the review undertaken by Goldman Sachs in connection with its opinion, is attached as Annex E to this joint proxy statement/prospectus and is incorporated herein by reference in its entirety. **Goldman Sachs' financial advisory services and opinion were provided for the information and assistance of the NSAM board in connection with and for purposes of its consideration of the transactions contemplated by the merger agreement.** The Goldman Sachs opinion is not a recommendation as to how any holder of NSAM's common stock should vote with respect to the transaction contemplated by the merger agreement or any other matter. The merger agreement referred to in this section (Opinion of NSAM's Financial Advisor) is the merger agreement as of June 2, 2016, and not as amended by the July 28, 2016 and October 16, 2016 amendments to the merger agreement described herein.

Opinion of Colony's Financial Advisor (Page 178 and Annex F)

Colony has engaged Merrill Lynch, Pierce, Fenner & Smith Incorporated, which we refer to as BofA Merrill Lynch, as its financial advisor in connection with the Colony merger. In connection with the Colony merger, BofA Merrill Lynch delivered a written opinion, dated June 2, 2016, to the Colony

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board as to the fairness, from a financial point of view and as of such date, to the holders of Colony class A common stock of the Colony class A exchange ratio provided for in the Colony merger.

The full text of BofA Merrill Lynch's written opinion, dated June 2, 2016, is attached as Annex F to this joint proxy statement/prospectus and sets forth, among other things, the assumptions made, procedures followed, factors considered and limitations and qualifications on the review undertaken by BofA Merrill Lynch in rendering its opinion. **BofA Merrill Lynch delivered its opinion to the Colony board for the benefit and use of the Colony board (in its capacity as such) in connection with and for purposes of its evaluation of the Colony class A exchange ratio from a financial point of view. BofA Merrill Lynch's opinion did not address any related transactions or other terms or other aspects or implications of the Colony merger (including, without limitation, any amendments to the terms and conditions of the Colony merger or related transactions following the delivery of BofA Merrill Lynch's opinion) and no opinion or view was expressed as to the relative merits of the Colony merger or related transactions in comparison to other strategies or transactions that might be available to Colony or in which Colony might engage or as to the underlying business decision of Colony to proceed with or effect the Colony merger or any related transactions. BofA Merrill Lynch also expressed no opinion or recommendation as to how any security holder should vote or act in connection with the Colony merger, any related transactions or any other matter.**

Opinion of the NRF Special Committee's Financial Advisor (Page 193 and Annex G)

The NRF special committee retained UBS Securities LLC, which we refer to as UBS, as financial advisor to the NRF special committee in connection with the Mergers and related transactions contemplated by the merger agreement. In connection with this engagement, the NRF special committee requested that UBS evaluate the fairness, from a financial point of view, to the holders of NRF common stock (other than NSAM, Colony NorthStar, Colony and their affiliates), after giving effect to the Redomestication merger, the New NRF Holdco merger and the Colony merger, of the NRF exchange ratio. On June 2, 2016, UBS rendered to the NRF special committee its oral opinion, which was subsequently confirmed by delivery of a written opinion, to the effect that, as of such date and based upon and subject to the factors, procedures, assumptions, qualifications and limitations set forth in UBS' written opinion, the NRF exchange ratio was fair, from a financial point of view, to the holders of NRF common stock (other than NSAM, Colony, Colony NorthStar and their affiliates).

The full text of UBS' opinion describes the assumptions made, procedures followed, matters considered and qualifications and limitations on the review undertaken by UBS. UBS' opinion is attached as Annex G to this joint proxy statement/prospectus and is incorporated herein by reference. **Holders of NRF common stock are encouraged to read UBS' opinion carefully in its entirety. UBS' opinion was provided for the benefit of the NRF special committee (in its capacity as such) in connection with, and for the purpose of, its evaluation of the NRF exchange ratio, and does not address any other aspect of the Mergers or any related transaction. UBS' opinion does not address the relative merits of the Mergers or any related transaction as compared to other business strategies or transactions that might be available to NRF or NRF's underlying business decision to effect the Mergers or any related transaction. UBS' opinion does not constitute a recommendation to any stockholder as to how such stockholder should vote or act with respect to the Mergers or any related transaction.**

Stock Ownership and Voting of Directors and Executive Officers of NSAM (Page 406)

As of the close of business on the record date for the NSAM special meeting, there were 188,944,901 shares of NSAM common stock outstanding and entitled to vote. As of the same date, the directors and executive officers of NSAM and their affiliates held and were entitled to vote 5,455,312 shares of NSAM common stock, collectively representing approximately 2.89% of the shares of NSAM common stock outstanding and entitled to vote on that date. Approval of the NSAM merger proposal

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and the NSAM charter proposal requires the affirmative vote of the holders of a majority of the outstanding shares of NSAM common stock entitled to vote on such proposal. The directors and executive officers of NSAM have each indicated that they expect to vote **"FOR"** the NSAM merger proposal, **"FOR"** the NSAM charter proposal, **"FOR"** the NSAM compensation proposal and **"FOR"** the NSAM adjournment proposal. The following directors and/or executive officers of NSAM have executed a voting and support agreement pursuant to which they have agreed to vote **"FOR"** each of the proposals to be considered at the NSAM special meeting: David T. Hamamoto, Albert Tylis and Daniel R. Gilbert. Refer to the section entitled "Certain Beneficial Ownership of NSAM Common Stock Ownership of Equity Securities of NSAM by Directors and Executive Officers" beginning on page 406 of this joint proxy statement/prospectus.

Stock Ownership and Voting of Directors and Executive Officers of Colony (Page 409)

As of the close of business on the record date for the Colony special meeting, there were 113,384,407 shares of Colony class A common stock outstanding and entitled to vote. As of the same date, the directors and executive officers of Colony and their affiliates held and were entitled to vote 3,834,088 shares of Colony class A common stock, collectively representing approximately 3.38% of the shares of Colony class A common stock outstanding and entitled to vote on that date. At the close of business on the record date for the Colony special meeting, Thomas J. Barrack, Jr., Colony's Executive Chairman, or entities controlled by him, held and was entitled to vote 527,131 shares of Colony class B common stock, representing 100% of the shares of Colony class B common stock outstanding and entitled to vote on that date. Approval of the Colony merger proposal and the Colony charter proposal requires the affirmative vote of the holders of a majority of the votes entitled to be cast by the holders of the outstanding shares of Colony common stock, voting together as a single class. The directors and executive officers of Colony have each indicated that they expect to vote **"FOR"** the Colony merger proposal, **"FOR"** the Colony charter proposal, **"FOR"** the Colony compensation proposal and **"FOR"** the Colony adjournment proposal. In addition, the following directors and/or executive officers of Colony have executed a voting and support agreement pursuant to which they have agreed to vote **"FOR"** the approval of the Colony merger and related transactions contemplated by the merger agreement: Thomas J. Barrack, Jr. and Richard B. Saltzman. Refer to the section entitled "Certain Beneficial Ownership of Colony Common Stock" beginning on page 409 of this joint proxy statement/prospectus.

Stock Ownership and Voting of Directors and Executive Officers of NRF (Page 413)

As of the close of business on the record date for the NRF special meeting, there were 180,752,147 shares of NRF common stock outstanding and entitled to vote. As of the same date, the directors and executive officers of NRF and their affiliates held and were entitled to vote 1,912,704 shares of NRF common stock, collectively representing approximately 1.06% of the shares of NRF common stock outstanding and entitled to vote on that date. Approval of the NRF merger proposal and the NRF charter proposal requires the affirmative vote of the holders of a majority of the outstanding shares of NRF common stock entitled to vote on such proposal. The directors and executive officers of NRF have each indicated that they expect to vote **"FOR"** the NRF merger proposal, **"FOR"** the NRF charter proposal, **"FOR"** the NRF compensation proposal and **"FOR"** the NRF adjournment proposal. The following directors and/or executive officers of NRF have executed a voting and support agreement pursuant to which they have agreed to vote **"FOR"** each of the proposals to be considered at the NRF special meeting: David T. Hamamoto, Albert Tylis and Daniel R. Gilbert. Refer to the section entitled "Certain Beneficial Ownership of NRF Common Stock Ownership of Equity Securities of NRF by Directors and Executive Officers" beginning on page 413 of this joint proxy statement/prospectus.

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Interests of NSAM's Directors and Executive Officers in the Mergers (Page 211)

In considering the recommendation of the NSAM special committee and the NSAM board with respect to the proposed Mergers, you should be aware that directors and executive officers of NSAM may have certain interests in the Mergers that may be different from, or in addition to, the interests of NSAM's stockholders generally. The NSAM special committee and the NSAM board were aware of and considered these interests, among other matters, in evaluating and, in the case of the NSAM special committee, negotiating the merger agreement and Mergers and in recommending that the NSAM merger proposal and related proposals be adopted by the stockholders of NSAM. These interests include, but are not limited to, the following:

accelerated vesting upon the closing of the Mergers of an agreed upon portion of the performance-based equity awards held by the NSAM executive officers that are outstanding or are to be granted for 2016;

accelerated vesting upon the closing of the Mergers of all of the time-based equity awards held by NSAM's directors and executive officers that are outstanding or are to be granted for 2016;

the payment of cash and long-term equity bonuses for 2016 to the NSAM executive officers based on agreed upon bonus pool amounts (which amounts could be higher or lower than the amounts that otherwise would have been calculated after the end of 2016 using 2016 results pursuant to the previously granted bonus award notices and reflect a 41% reduction in the long term bonus pool amounts from 2015), which were fixed in order to assist with the establishment of the exchange ratios in the merger agreement and NSAM's agreement not to utilize its negative discretion to reduce the size of the bonuses awarded to Ms. Hess and Mr. Lieberman; and

equity awards to be granted to Messrs. Hamamoto, Tylis, Gilbert and Lieberman and Ms. Hess by Colony NorthStar following the closing of the Mergers.

You should also be aware of the significant concessions that were agreed to by the NSAM executive officers in connection with the signing of the merger agreement, which the NSAM special committee and the NSAM board were also aware of and considered, among other matters, in evaluating and negotiating the merger agreement and Mergers and in recommending that the NSAM merger proposal and related proposals be adopted by the stockholders of NSAM. These include, but are not limited to, the following:

the agreement by the NSAM executive officers to forego all cash severance that they would have been entitled to receive if they voluntarily terminated their employment following the Mergers;

the agreement by the NSAM executive officers to receive unvested equity awards of Colony NorthStar with a maximum aggregate value that is approximately \$52 million less than the estimated cash severance that these executives would have been entitled to receive if they voluntarily terminated their employment following the Mergers, with Messrs. Hamamoto, Tylis and Gilbert bearing the full amount of such reduction;

the agreement by the NSAM executive officers to have the number of shares of Colony NorthStar common stock subject to their replacement equity awards based on a per share price equal to the greater of \$15.00 or the volume weighted average price of a share of Colony NorthStar common stock over the first five trading days immediately following the closing of the Mergers, which would result in an approximately \$22 million reduction in the

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value of these replacement equity awards based on an assumed price per share of Colony NorthStar common stock equal to \$12.23 per share, which was the average closing price of NSAM common stock over the first five trading days following June 3, 2016;

the agreement by the NSAM executive officers to provide services to Colony NorthStar during the full year of 2017 following the Mergers for no additional compensation other than a nominal annual base salary equal to \$1.00;

the agreement by Messrs. Hamamoto, Tylis and Gilbert to forfeit a majority of the performance-based equity awards that each was projected to earn upon the closing of the Mergers based on information available prior to the signing of the merger agreement; and

the agreement by all of the NSAM executive officers to modify their non-competition agreements to provide that these agreements will apply for at least 12 months after the closing of the Mergers in the event of any termination of employment.

Interests of Colony's Directors and Executive Officers in the Mergers (Page 218)

In considering the recommendation of the Colony board with respect to the proposed Mergers, you should be aware that directors and executive officers of Colony may have certain interests in the Mergers that may be different from, or in addition to, the interests of Colony's stockholders generally. The Colony board was aware of and considered these interests, among other matters, in evaluating and negotiating the merger agreement and Mergers, and in recommending that the Colony merger proposal and related proposals be approved by the stockholders of Colony. These interests include, but are not limited to, the following:

accelerated vesting upon the closing of the Mergers of the outstanding equity awards held by Colony's non-employee directors under Colony's 2009 Non-Executive Director Stock Plan;

accelerated vesting of the outstanding equity awards held by the Colony executive officers if their employment is terminated in certain circumstances within 12 months of the closing of the Mergers; and

for certain of the Colony executive officers, cash severance and other benefits that may be received in the event of certain terminations of their employment (which are provided without regard to the occurrence of the Mergers and without any enhancement as a result of the Mergers).

Interests of NRF's Directors and Executive Officers in the Mergers (Page 220)

In considering the recommendation of the NRF special committee and the NRF board with respect to the proposed Mergers, you should be aware that directors and executive officers of NRF may have certain interests in the Mergers that may be different from, or in addition to, the interests of NRF's stockholders generally. The NRF special committee and the NRF board were aware of and considered these interests, among other matters, in evaluating and, in the case of the NRF special committee, negotiating the merger agreement and Mergers and in recommending that the NRF merger proposal and related proposals be adopted by the stockholders of NRF. These interests include, but are not limited to, the following:

the interests of Messrs. Hamamoto, Tylis, Gilbert and Lieberman and Ms. Hess that are summarized above in the section entitled " Interests of NSAM's Directors and Executive Officers in the Mergers";

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accelerated vesting upon the closing of the Mergers of all of the time-based equity awards held by NRF's directors and Mr. Langer; and

cash severance and other benefits that may be received by Mr. Langer if his employment is terminated in certain circumstances in connection with or within 12 months after the Mergers.

Listing of Colony NorthStar Stock (Page 227)

Approval of the listing on the NYSE of Colony NorthStar class A common stock and Colony NorthStar preferred stock to be issued in the Mergers pursuant to the merger agreement is a condition to each Company's obligation to complete the Mergers, subject to official notice of issuance prior to the closing of the Mergers. It is expected that Colony NorthStar class A common stock will trade on the NYSE under the symbol "CLNS." If the Mergers are completed, shares of NSAM common stock, Colony class A common stock, Colony preferred stock, NRF common stock and NRF preferred stock will be deregistered under the Exchange Act.

No Stockholder Appraisal Rights in the Mergers (Page 416)

NSAM stockholders, Colony stockholders and NRF stockholders are not entitled to exercise appraisal rights in connection with the Mergers.

Conditions to Completion of the Mergers (Page 288)

The obligations of each of NSAM, Colony and NRF to effect the Mergers are subject to the satisfaction or waiver of the following conditions at or prior to the closing:

the receipt at the NSAM special meeting of the affirmative vote of the holders of a majority of the outstanding shares of NSAM common stock entitled to vote at the NSAM special meeting to approve the NSAM merger proposal and the NSAM charter proposal, which we refer to as the NSAM stockholder approval;

the receipt at the Colony special meeting of the affirmative vote of a majority of the votes entitled to be cast by the holders of the outstanding shares of Colony common stock, voting together as a single class, to approve the Colony merger proposal and the Colony charter proposal, which we refer to as the Colony stockholder approval;

the receipt at the NRF special meeting of the affirmative vote of the holders of a majority of the outstanding shares of NRF common stock entitled to vote at the NRF special meeting to approve the NRF merger proposal and the NRF charter proposal, which we refer to as the NRF stockholder approval;

the receipt of regulatory approvals and the expiration or termination of any applicable waiting periods;

the absence of any governmental authority of competent jurisdiction enacting any law or similar decree or taking any action to prevent or prohibit the consummation of the Mergers;

the effectiveness of the registration statement on Form S-4 filed by Colony NorthStar with the SEC, which includes this joint proxy statement/prospectus and the absence of any stop order or proceeding seeking a stop order, in each case with respect to the Mergers;

the listing of Colony NorthStar class A common stock and each series of Colony NorthStar preferred stock on the NYSE; and

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the sale or other disposition of NSAM's investment in Island Hospitality Management Inc. (carrying value of approximately \$39.5 million as of March 31, 2016) which could adversely affect Colony NorthStar's ability to qualify as a REIT.

The merger agreement also provides that no party will be required to consummate the Mergers or be in breach of any obligation under the merger agreement to consummate the Mergers or otherwise be liable to any other party in connection with a failure to consummate the Mergers if, subject to certain conditions, financing is unavailable and the combined company, upon consummation of the Mergers, will not have sufficient unrestricted cash on hand available to repay certain specified borrowings and all transaction expenses of the parties to the merger agreement in connection with the Mergers.

In addition, NSAM's obligation to effect the Mergers is subject to the satisfaction or waiver at or prior to the closing of each of the following conditions:

the representations and warranties of Colony being true and correct to the extent required and subject to the applicable materiality standards set forth in the merger agreement; Colony having complied with and performed in all material respects all covenants and other agreements required to be performed by it under the merger agreement on or before the closing; and the receipt by NSAM of a certificate executed on behalf of Colony by an appropriate officer certifying the satisfaction of the foregoing;

the representations and warranties of NRF being true and correct to the extent required and subject to the applicable materiality standards set forth in the merger agreement; NRF and New NRF Parent having complied with and performed in all material respects all covenants and other agreements required to be performed by them under the merger agreement on or before the closing; and the receipt by NSAM of a certificate executed on behalf of NRF and New NRF Parent by an appropriate officer certifying the satisfaction of the foregoing;

the receipt of opinions of counsel that: (i) each of New NRF Parent (including NRF in its capacity as predecessor to New NRF Parent), commencing with its taxable year of formation through the effective time of the NRF merger, and Colony, commencing with the taxable year of its formation through the effective time of the Colony merger, has met the requirements for qualification and taxation as a REIT, under the Code; (ii) the applicable Mergers contemplated by the merger agreement will qualify as tax-free reorganizations under the Code; and (iii) Colony NorthStar is not, and as a result of the consummation of the Mergers contemplated by the merger agreement will not be, required to register as an investment company under the Investment Company Act; and

the absence of a material adverse effect with respect to Colony or NRF.

Notwithstanding the foregoing, NSAM's ability to invoke: (i) a failure on the part of NRF, or any of NRF's subsidiaries party to the merger agreement, to comply with or perform the covenants and agreements under the merger agreement; or (ii) a breach by NRF, or any of NRF's subsidiaries party to the merger agreement, of a representation or warranty under the merger agreement as a basis not to consummate the transactions contemplated by the merger agreement is limited by the NSAM/NRF side agreement. Refer to the section entitled "Other Related Agreements The NSAM/NRF Side Agreement" beginning on page 308 of this joint proxy statement/prospectus.

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In addition, Colony's obligation to effect the Mergers is subject to the satisfaction or waiver at or prior to the closing of each of the following conditions:

the representations and warranties of NSAM being true and correct to the extent required and subject to the applicable materiality standards set forth in the merger agreement; NSAM and Colony NorthStar having complied with and performed in all material respects all conditions and other agreements required to be performed by them under the merger agreement on or before the closing; and the receipt by Colony of a certificate executed on behalf of NSAM and Colony NorthStar by an appropriate officer certifying the satisfaction of the foregoing;

the representations and warranties of NRF being true and correct to the extent required and subject to the applicable materiality standards set forth in the merger agreement; NRF and New NRF Parent having complied with and performed in all material respects all covenants and other agreements required to be performed by them under the merger agreement on or before the closing; and the receipt by Colony of a certificate executed on behalf of NRF and New NRF Parent by an appropriate officer certifying the satisfaction of the foregoing;

the receipt of opinions of counsel that: (i) each of Colony NorthStar, commencing with the taxable year beginning January 1, 2017, and New NRF Parent (including NRF in its capacity as predecessor to New NRF Parent), commencing with its taxable year of formation through the effective time of the NRF merger, has met or will meet the requirements for qualification and taxation as a REIT under the Code; (ii) the applicable Mergers contemplated by the merger agreement will qualify as tax-free reorganizations under the Code; and (iii) Colony NorthStar is not, and as a result of the consummation of the Mergers contemplated by the merger agreement will not be, required to register as an investment company under the Investment Company Act;

the receipt of a study, which we refer to as the NSAM E&P study, by a nationally recognized independent accounting firm, with respect to the "earnings and profits" for U.S. federal income tax purposes of NSAM and NorthStar Asset Management Group Ltd, which we refer to as NSAM Jersey, as of the beginning of January 1, 2017, that would constitute "earnings and profits accumulated in any non-REIT year"; and

the absence of a material adverse effect with respect to NSAM and NRF.

In addition, NRF's obligation to effect the Mergers is subject to the satisfaction or waiver at or prior to the closing of each of the following conditions:

the representations and warranties of NSAM being true and correct to the extent required and subject to the applicable materiality standards set forth in the merger agreement; NSAM and Colony NorthStar having complied with and performed in all material respects all covenants and other agreements required to be performed by them under the merger agreement on or before the closing; and the receipt by NRF of a certificate executed on behalf of NSAM and Colony NorthStar by an appropriate officer certifying the satisfaction of the foregoing;

the representations and warranties of Colony being true and correct to the extent required and subject to the applicable materiality standards set forth in the merger agreement; Colony having complied with and performed in all material respects all covenants and other agreements required to be performed by it under the merger agreement on or before the

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closing and the receipt by NRF of a certificate executed on behalf of Colony by an appropriate officer certifying the satisfaction of the foregoing;

the receipt of legal opinions that: (i) each of Colony NorthStar, commencing with the taxable year beginning January 1, 2017, and Colony, commencing with its taxable year of formation through the effective time of the Colony merger, has met or will meet the requirements for qualification and taxation as a REIT under the Code; (ii) the applicable Mergers contemplated by the merger agreement will qualify as tax-free reorganizations under the Code; and (iii) Colony NorthStar is not, and as a result of the consummation of the Mergers contemplated by the merger agreement will not be, required to register as an investment company under the Investment Company Act;

the receipt of the NSAM E&P study; and

the absence of a material adverse effect with respect to NSAM and Colony.

None of NSAM, Colony or NRF can give any assurance as to when or if all of the conditions to the consummation of the Mergers or any other transactions contemplated by the merger agreement will be satisfied or waived or that the Mergers will occur.

For additional information regarding the conditions to the consummation of the Mergers and a complete list of such conditions, refer to the sections entitled "The Merger Agreement Conditions to Completion of the Mergers" beginning on page 288 of this joint proxy statement/prospectus and "Risk Factors Risks Relating to the Mergers" beginning on page 61 of this joint proxy statement/prospectus.

Regulatory Approvals in Connection with the Mergers (Page 226)

As noted above, completion of the Mergers is subject to the receipt of certain required regulatory approvals, including those of the Financial Industry Regulatory Authority, the U.K. Financial Conduct Authority and the French Autorité des Marchés Financiers, required as a result of actual or deemed "changes in control" of certain regulated entities of the parties, or a confirmation that no such approval will be required.

Each of NSAM, Colony and NRF has agreed to use its reasonable best efforts to take all actions necessary, proper or desirable to complete the Mergers and related transactions contemplated by the merger agreement, including to obtain required regulatory approvals.

On October 7, 2016, the U.K. Financial Conduct Authority issued an approval of the "change in control" of certain U.K. regulated entities. None of NSAM, Colony or NRF can give any assurance as to when or if any other regulatory approvals will be obtained, or the conditions upon which they may be obtained.

No Solicitation or Negotiation of Acquisition Proposals (Page 296)

No Solicitation (Page 296)

Each of NSAM, Colony and NRF has agreed that it will not, and it will cause each of its subsidiaries and its and their respective representatives to not:

solicit, initiate or knowingly encourage or knowingly facilitate inquires or proposals for, or engage in any negotiations concerning, or provide any confidential or non-public information

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or data to, or have any discussions with, any person relating to any inquiry, proposal or offer that constitutes, or could reasonably be expected to lead to, as applicable, an NSAM acquisition proposal, a Colony acquisition proposal or an NRF acquisition proposal (each as defined in the section entitled "The Merger Agreement Covenants and Agreements No Solicitation or Negotiation of Acquisition Proposals" beginning on page 296 of this joint proxy statement/prospectus);

engage in, continue or otherwise participate in any discussions or negotiations regarding, or furnish to any other person any information in connection with or for the purpose of encouraging or facilitating, any inquiry, proposal or offer that constitutes, or could reasonably be expected to lead to, as applicable, an NSAM acquisition proposal, a Colony acquisition proposal or an NRF acquisition proposal; or

approve, recommend or enter into any letter of intent or similar document, agreement, commitment or agreement in principle with respect to, as applicable, an NSAM acquisition proposal, a Colony acquisition proposal or an NRF proposal.

Notwithstanding those restrictions, however, each of NSAM, Colony and NRF will be permitted to waive or not to enforce any provision of any confidentiality, "standstill" or similar obligation to permit a person to make a confidential NSAM acquisition proposal, Colony acquisition proposal or NRF acquisition proposal, as applicable, directly to the NSAM board, the Colony board, the NRF board or a duly authorized committee thereof, if the NSAM board, Colony board or NRF board, as applicable, or a duly authorized committee thereof, determines in good faith that any such failure to waive or to not enforce would result in a breach of its duties under applicable law.

Negotiation of Acquisition Proposals (Page 296)

Notwithstanding the restrictions described above, prior to receiving the NSAM stockholder approval, the Colony stockholder approval or the NRF stockholder approval, as applicable, NSAM, Colony or NRF may, after providing notice to the other parties:

provide information in response to a request by a person who has made a bona fide written acquisition proposal that did not result from a material breach of the non-solicitation obligations described above if the party receiving such acquisition proposal receives from the person requesting such information an executed confidentiality agreement satisfying certain requirements; and

engage or participate in any discussions or negotiations with any person who has made an unsolicited bona fide written acquisition proposal, if the board of the party receiving such proposal, or a duly authorized committee thereof, has determined in good faith based on information then available and after consultation with its outside legal counsel and outside financial advisors that such acquisition proposal either constitutes or could reasonably be expected to lead to an NSAM superior proposal, a Colony superior proposal or an NRF superior proposal (each as defined in the section entitled "The Merger Agreement Covenants and Agreements No Solicitation or Negotiation of Acquisition Proposals" beginning on page 296 of this joint proxy statement/prospectus), as applicable.

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No Change in Recommendation or Alternative Acquisition (Page 297)

Under the merger agreement, each of the NSAM board, Colony board and NRF board, or any committee thereof, generally may not take the following actions (any of which we refer to as a change of recommendation):

change, withhold, withdraw, qualify or modify or publicly propose or announce or authorize or resolve to, or announce its intention to change, withhold, withdraw, qualify or modify, in each case in a manner adverse to the other parties, the NSAM board recommendation, the Colony board recommendation or the NRF board recommendation (each as defined in the section entitled "The Merger Agreement No Solicitation and Change in Recommendation" beginning on page 296 of this joint proxy statement/prospectus), as applicable;

authorize, approve, declare advisable, adopt or recommend or propose to publicly authorize, approve, declare advisable, adopt or recommend, any NSAM acquisition proposal, Colony acquisition proposal or NRF acquisition proposal, as applicable;

authorize, cause or permit its Company to enter into any alternative acquisition agreement (as described in the section entitled "The Merger Agreement Covenants and Agreements No Solicitation and or Negotiation of Acquisition Proposals" beginning on page 296 of this joint proxy statement/prospectus) for any NSAM acquisition proposal, Colony acquisition proposal or NRF acquisition proposal, as applicable; or

fail to include the NSAM board recommendation, the Colony board recommendation or the NRF board recommendation in this joint proxy statement/prospectus.

Notwithstanding these restrictions, prior to receiving the NSAM stockholder approval, the Colony stockholder approval or the NRF stockholder approval, as applicable, and so long as NSAM, Colony or NRF is in compliance with the non-solicitation obligations described above in all material respects, each of the NSAM board, Colony board and NRF board, or a duly authorized committee thereof, may effect a change of recommendation, in response to an intervening event or a superior proposal that was not withdrawn at the time of the change of recommendation, if the NSAM board, Colony board or NRF board, as applicable, or any committee thereof, determines in good faith after consultation with its outside legal counsel that to do otherwise would be inconsistent with its duties under applicable law. Prior to any such action being taken, the party who intends to effect a change of recommendation must provide written notice to the other parties advising such parties of its intention and the reasons therefor and take the other actions described in the section entitled "The Merger Agreement Covenants and Agreements No Solicitation or Negotiation of Acquisition Proposals" beginning on page 296 of this joint proxy statement/prospectus, including engaging in negotiation, in good faith, with the other parties to determine whether any revisions to the terms of the merger agreement would make the applicable proposal received no longer a "superior proposal."

Termination (Page 301)

The merger agreement may be terminated:

by mutual consent of NSAM, Colony and NRF in a written instrument at any time prior to the effective time of the NRF merger;

by any of NSAM, Colony or NRF at any time prior to the effective time of the Mergers:

- if the effective time of the NRF merger has not occurred by the close of business on March 17, 2017, which we refer to as the outside date, provided that the right to

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terminate will not be available to any party whose failure to comply with any provision of the merger agreement has been the cause of, or materially contributed to, the failure of the NRF merger effective time to occur on or before such date (we refer to a termination of the merger agreement for this reason as an outside date termination);

- if the NSAM stockholder approval, the Colony stockholder approval or the NRF stockholder approval is not obtained (we refer to a termination of the merger agreement for this reason as a stockholder no-vote termination);
- if any required regulatory approval is denied by final, non-appealable action or if any injunction prohibiting the Mergers becomes final, provided that the right to terminate for this reason will not be available to any party whose failure to comply with any provision of the merger agreement has been the cause of, or materially contributed to, such action;

by any of NSAM, Colony or NRF, as applicable, at any time prior to the effective time of the NRF merger:

- if, subject to cure rights, either of the other two parties has breached any of its representations, warranties, covenants or agreements under the merger agreement or any representations and warranties become untrue after the date of the merger agreement, in each case such that the conditions to the other parties' obligations to complete the Mergers would not be satisfied (we refer to a termination of the merger agreement for this reason as a termination for non-curable breach);
- if any of the NSAM board, Colony board or the NRF board or a duly authorized committee thereof has made a change of recommendation (we refer to a termination of the merger agreement for this reason as a termination for change of recommendation);
- prior to the NSAM stockholder approval, the Colony stockholder approval or the NRF stockholder approval being obtained, in order to enter into a definitive agreement with respect to a superior proposal in compliance with the terms of the merger agreement (we refer to a termination of the merger agreement for this reason as a termination for superior proposal); or
- if NSAM, Colony or NRF has breached the non-solicitation covenant, or the covenant regarding this joint proxy statement/prospectus or the covenants regarding the stockholders meeting for the purpose of obtaining the NSAM stockholder approval, the Colony stockholder approval or the NRF stockholder approval, as applicable (we refer to a termination of the merger agreement for this reason as a termination for breach of solicitation-related covenants).

The foregoing four termination rights are not available to any party whose breach, change of recommendation or failure to obtain stockholder approval gave rise to the termination right.

Notwithstanding the foregoing, NSAM's ability to invoke: (i) a failure on the part of NRF, or any of NRF's subsidiaries party to the merger agreement, to comply with or perform the covenants and agreements under the merger agreement; or (ii) a breach by NRF, or any of NRF's subsidiaries party to the merger agreement, of a representation or warranty under the merger agreement as a basis to terminate the merger agreement is limited by the NSAM/NRF side agreement. Refer to the section entitled "Other Related Agreements The NSAM/NRF Side Agreement" beginning on page 308 of this joint proxy statement/prospectus.

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Termination Fees and Transaction Expenses (Page 304)

Upon termination of the merger agreement in the following circumstances the party who terminated or whose actions gave rise to the termination, as applicable, will be required to pay a termination fee of \$92 million, to be split equally between the other two parties:

a termination for superior proposal has occurred;

a termination for change of recommendation has occurred;

a termination for breach of solicitation-related covenants has occurred;

an alternative acquisition proposal is publicly proposed or disclosed and is not withdrawn within the time period set forth in the merger agreement, and

- any of: (i) a termination for non-curable breach has occurred; (ii) an outside date termination has occurred; or (iii) a stockholder no-vote termination has occurred; and
- the party (directly or through its subsidiaries) has entered into a definitive agreement in respect of any alternative acquisition proposal or consummated the applicable alternative acquisition proposal (in each case, other than an alternative acquisition proposal involving the other two parties directly or through their respective subsidiaries) within 12 months of the termination of the merger agreement.

The merger agreement further provides that if: (i) any of (A) a stockholder no-vote termination has occurred; (B) an outside date termination has occurred; or (C) a termination for non-curable breach has occurred; and (ii) within 12 months of such termination, the party causing such termination enters into an agreement with respect to a business combination with either of the other two Companies (directly or through subsidiaries), then, concurrently with the consummation of such business combination, the two parties who are involved in such business combination will be required to pay a termination fee of \$92 million jointly to the third party, less any transaction expenses that were already paid by them to the third party pursuant to the terms of the merger agreement.

Each party would be required to reimburse to the other parties their transaction expenses of up to \$10 million per party if either: (i) a stockholder no-vote termination has occurred with respect to such party's stockholders; or (ii) a termination for non-curable breach by such party has occurred. This amount would be deducted from any payment of a full termination fee of \$92 million as described in the paragraph immediately above.

Notwithstanding the foregoing, NSAM and NRF have separately agreed, that should a termination fee become payable by NRF to NSAM, NSAM will waive the portion of such termination fee in excess of \$3 million owed to it. For additional information regarding termination fees, refer to the sections entitled "The Merger Agreement Termination of the Merger Agreement Termination Fees" and " Payment of Transaction Expenses upon Termination" beginning on page 304 of this joint proxy statement/prospectus and the section entitled "Other Related Agreements The NSAM/NRF Side Agreement" beginning on page 308 of this joint proxy statement/prospectus.

Specific Performance (Page 306)

Each party is entitled to seek specific performance and injunctive relief to prevent breaches of the merger agreement and to enforce the terms of the merger agreement in addition to any other remedy to which the parties are entitled at law or in equity; however, no party will be in breach of its obligation to consummate the Mergers or otherwise have any liability to any other party in connection

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with a failure to consummate the Mergers, in each case, if the financing is unavailable and the combined company, upon consummation of the Mergers, would not have sufficient unrestricted cash to repay certain specified indebtedness and all transaction expenses.

U.S. Federal Income Tax Consequences (Page 229)

The parties intend for each of (i) the Redomestication merger and (ii) the New NRF Holdco merger together with the LLC conversion to qualify as a reorganization under Section 368(a)(1)(F) of the Code and for each of the NRF merger and the Colony merger to qualify as a reorganization under Section 368(a) of the Code. It is a condition to the closing of the Mergers that: (i) Skadden deliver to NSAM an opinion that the Redomestication merger will qualify as a reorganization under Section 368(a)(1)(F) of the Code and that each of the NRF merger and the Colony merger will qualify as a reorganization under Section 368(a) of the Code; (ii) Vinson & Elkins deliver to NRF an opinion that the New NRF Holdco merger together with the LLC conversion will qualify as a reorganization under Section 368(a)(1)(F) of the Code and that each of the NRF merger and the Colony merger will qualify as a reorganization under Section 368(a) of the Code; and (iii) Hogan Lovells deliver to Colony an opinion that each of the NRF merger and the Colony merger will qualify as a reorganization under Section 368(a) of the Code. Pursuant to the merger agreement, the opinions described above may be delivered by other counsel reasonably acceptable to the parties. On the basis of the foregoing opinions, a U.S. Holder (as defined on page 229) of NSAM, Colony or NRF common stock will generally not recognize any gain or loss for U.S. federal income tax purposes as a result of the Mergers, except with respect to cash received in lieu of fractional shares in connection with the Mergers.

In addition, the parties expect that the stockholders of NSAM, Colony and NRF will be subject to tax on any special dividends declared or paid prior to the Mergers.

The particular consequences of the Mergers to each common and preferred stockholder depend on such holder's particular facts and circumstances. Stockholders are urged to consult their tax advisors to understand fully the consequences to them of the Mergers in their specific circumstances.

Accounting Treatment of the Mergers (Page 226)

The Mergers will be accounted for as an integrated business combination transaction by Colony in accordance with Accounting Standards Codification Topic 805, Business Combinations. In applying the acquisition method specified by this guidance, it is necessary to identify an accounting acquirer which, in a transaction in which consideration consists solely of shares, is generally the entity that issues the shares. Other factors to consider, however, in identifying an accounting acquirer include, but are not limited to, the relative size of the merging companies, the relative voting interests of the respective stockholders, the composition of senior management, the composition of the board of directors, the existence of a large minority voting interest and the terms of the exchange of equity interests.

After consideration of these factors, this transaction is considered a reverse acquisition with Colony being identified as the accounting acquirer. In reaching this conclusion, greater emphasis was placed on the composition of senior management which is predominantly comprised of Colony's management team. As the Mergers are accounted for as a reverse acquisition, the fair value of the consideration transferred is measured based upon (a) the number of shares of common stock Colony, as the accounting acquirer, would theoretically have to issue to the stockholders of NSAM and NRF to achieve the same ratio of ownership in Colony NorthStar upon completion of the Mergers; and (b) applying the Colony class A common stock price. Accordingly, the assets (including identifiable intangible assets) and liabilities (including executory contracts and other commitments) of NSAM and NRF will be recorded at their respective fair value at the date of the Mergers. Based on current estimates, the fair value of such assets and liabilities for both NSAM and NRF are lower than the

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consideration based upon the current market price of Colony common stock and NRF preferred stock (which excludes the excess cash related to pre-merger activities to be distributed to the NSAM stockholders in the form of the NSAM special dividend) thereby resulting in estimated goodwill. The estimated fair value of the assets acquired, liabilities assumed and consideration transferred may change significantly until such time that the Mergers close. Consolidated financial statements of the combined company issued after the Mergers will reflect these fair value adjustments and the consolidated results of operations subsequent to the date of the Mergers. Because Colony has been determined to be the accounting acquirer, its historical financial statements will become the historical financial statements of the combined company upon consummation of the Mergers. Refer to the section entitled "Colony NorthStar Unaudited Pro Forma Condensed Consolidated Financial Statements" beginning on page 312 of this joint proxy statement/prospectus.

Comparison of Rights of Stockholders of NSAM, Colony and NRF with the Rights of Stockholders of Colony NorthStar (Page 373)

Upon completion of the Mergers, the rights of former NSAM, Colony and NRF common stockholders who become Colony NorthStar common stockholders will be governed by the Colony NorthStar charter and Colony NorthStar bylaws and the MGCL. The rights associated with NSAM, Colony and NRF common stock are different from the rights to be associated with Colony NorthStar common stock after the Mergers.

Litigation Relating to the Mergers (Page 228)

On September 29, 2016, a purported stockholder of Colony filed an action relating to the Mergers on behalf of a putative class of Colony stockholders in the United States District Court of the District of Maryland, captioned *Carter v. Colony Capital, Inc., et al.* The *Carter* action names as defendants Colony and the members of the Colony board, alleging claims under Sections 14(a) and 20(a) of the Exchange Act. The complaint also alleges that the initial joint proxy statement/prospectus and the first amendment thereto filed in respect of the Mergers omit or misstate various facts concerning the financial projections for Colony, NSAM and NRF and the financial analyses performed by Colony's financial advisor. The complaint purports to seek, among other things, injunctive relief, money damages and attorney's and expert fees and expenses.

Other potential plaintiffs may also file additional lawsuits challenging the Mergers. The outcome of the *Carter* action and any additional future litigation is uncertain. Such litigation, if not resolved, could prevent or delay completion of the Mergers and result in substantial costs to NSAM, Colony and NRF, including any costs associated with the indemnification of directors and officers. One of the conditions to the closing of the Mergers is the absence of any law, injunction or order by any governmental authority preventing, enjoining, prohibiting or making illegal the consummation of the Mergers. Therefore, if a plaintiff were successful in obtaining an injunction prohibiting the consummation of the Mergers on the agreed-upon terms, then such injunction may prevent the Mergers from being completed, or from being completed within the expected timeframe. The defense or settlement of any lawsuit or claim that remains unresolved at the time the Mergers are completed may adversely affect Colony NorthStar's business, financial condition, results of operations and cash flows.

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The following selected consolidated financial information for the years ended December 31, 2011 through December 31, 2015 is derived from audited consolidated financial statements of NSAM. The financial information as of and for the nine months ended September 30, 2016 and 2015 are derived from unaudited consolidated financial statements and, in the opinion of NSAM's management, contain all adjustments (consisting only of normal recurring adjustments) necessary for a fair presentation of this data at or for those dates. The results of operations for the nine months ended September 30, 2016 are not necessarily indicative of the results that may be expected for the entire year ending December 31, 2016. You should not assume that the results of operations for any past periods are indicative of results for any future period. You should read this information in conjunction with NSAM's consolidated financial statements and the related notes thereto included in NSAM's Annual Report on Form 10-K for the year ended December 31, 2015 and in NSAM's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2016, which are incorporated by reference into this joint proxy statement/prospectus. Refer to the section entitled "Where You Can Find More Information; Incorporation by Reference" beginning on page 420 of this joint proxy statement/prospectus. The results of operations and financial condition as of and for the nine months ended September 30, 2016 are not necessarily indicative of the financial condition and results of operations of NSAM for the full year or any future interim periods.

(In thousands, except per share data)	Nine Months Ended September 30,		Years Ended December 31,				
	2016	2015	2015	2014 ⁽¹⁾	2013 ⁽¹⁾	2012 ⁽¹⁾	2011 ⁽¹⁾
OPERATING DATA:							
Asset management and other fees, related parties	\$ 276,339	\$ 230,731	\$ 307,988	\$ 147,738	\$ 26,633	\$ 8,112	\$ 993
Selling commission and dealer manager fees, related parties	15,115	87,364	126,907	110,563	62,572	42,385	12,024
Net income (loss)	56,864	101,736	120,747	19,100	(1,995)	(17,322)	(25,682)
Net income (loss) attributable to common stockholders	53,340	100,965	119,794	19,100	(1,995)	(17,322)	(25,682)
<i>Earnings (loss) per share:</i>							
Basic	\$ 0.28	\$ 0.51	\$ 0.61	\$ 0.10	\$ (0.01)	\$ (0.09)	\$ (0.14)
Diluted	\$ 0.28	\$ 0.51	\$ 0.60	\$ 0.10	\$ (0.01)	\$ (0.09)	\$ (0.14)
Dividends per share of common stock ⁽²⁾	\$ 0.30	\$ 0.30	\$ 0.40	\$ 0.20	N/A	N/A	N/A

	As of September 30,		As of December 31,			
	2016	2015	2014	2013	2012	2011
BALANCE SHEET DATA:						
Total assets	\$ 846,330	\$ 374,821	\$ 263,869	\$ 31,709	\$ 20,257	\$ 8,315
Total borrowings	468,679	100,000				
Total liabilities	559,834	198,078	62,121	3,341	2,382	1,501
Total stockholders' equity	209,349	175,065	201,748	28,368	17,875	6,814
Total equity	211,347	176,743	201,748	28,368	17,875	6,814

(1) The year ended December 31, 2014 includes: (i) NSAM's results of operations for the six months ended December 31, 2014, which represents the activity of NSAM following the spin-off by NRF of NSAM; and (ii) NSAM's results of operations for the six months ended June 30, 2014, which represents a carve-out of historical financial information including revenues and expenses attributable to NSAM related to NRF's historical asset management business. The three years ended December 31, 2013 represent a carve-out of historical financial information including revenues and expenses attributable to NSAM related to NRF's historical asset management business. As a result, the year ended December 31, 2015 may not be comparable to the prior periods presented.

(2) On October 30, 2014, NSAM declared its first dividend of \$0.10 per share of NSAM common stock for the three months ended September 30, 2014.

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SELECTED HISTORICAL FINANCIAL INFORMATION OF COLONY

The following selected consolidated financial information for the years ended December 31, 2011 through December 31, 2015 is derived from audited consolidated financial statements of Colony. The financial information as of and for the nine months ended September 30, 2016 and 2015 are derived from unaudited consolidated financial statements and, in the opinion of Colony's management, contain all adjustments (consisting only of normal recurring adjustments) necessary for a fair presentation of this data at or for those dates. The results of operations for the nine months ended September 30, 2016 are not necessarily indicative of the results that may be expected for the entire year ending December 31, 2016. You should not assume that the results of operations for any past periods are indicative of results for any future period. You should read this information in conjunction with Colony's consolidated financial statements and the related notes thereto included in Colony's Annual Report on Form 10-K for the year ended December 31, 2015 and in Colony's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2016, which are incorporated by reference into this joint proxy statement/prospectus. Refer to the section entitled "Where You Can Find More Information; Incorporation by Reference" beginning on page 420 of this joint proxy statement/prospectus. The results of operations and financial condition as of and for the nine months ended September 30, 2016 are not necessarily indicative of the financial condition and results of operations of Colony for the full year or any future interim periods.

(In thousands, except per share data)	Nine Months Ended September 30,		Years Ended December 31,				
	2016	2015	2015	2014	2013	2012	2011
OPERATING DATA:⁽¹⁾							
Total income ⁽²⁾	\$ 702,610	\$ 600,494	\$ 841,976	\$ 300,649	\$ 183,799	\$ 107,963	\$ 65,469
Net income	266,071	198,060	256,036	159,711	125,923	68,205	43,364
Net income attributable to Colony	120,035	119,142	149,980	123,149	101,765	62,011	42,260
Net income attributable to common stockholders	83,969	88,666	107,411	98,279	80,345	48,096	42,260
Net income per share attributable to common stockholders:							
Basic	\$ 0.73	\$ 0.79	\$ 0.96	\$ 1.01	\$ 1.20	\$ 1.33	\$ 1.47
Diluted	\$ 0.73	\$ 0.79	\$ 0.96	\$ 1.01	\$ 1.20	\$ 1.32	\$ 1.46
Dividends per common share of common stock ⁽³⁾	\$ 1.20	\$ 1.12	\$ 1.52	\$ 1.44	\$ 1.40	\$ 1.44	\$ 1.31

	As of September 30,		As of December 31,			
	2016	2015	2014	2013	2012	2011
BALANCE SHEET DATA:⁽¹⁾						
Total assets	\$ 10,146,641	\$ 10,039,310	\$ 5,825,449	\$ 2,620,860	\$ 1,434,867	\$ 727,443
Total borrowings	4,064,744	4,178,803	2,701,764	608,415	107,467	82,769
Total liabilities	4,503,772	4,623,070	2,889,656	666,633	151,837	113,953
Total stockholders' equity	2,833,323	2,846,916	2,417,480	1,684,310	1,223,331	602,976
Total equity	5,642,869	5,416,240	2,935,793	1,954,227	1,283,030	613,490

- (1) The selected historical financial data presented above do not reflect comparable period over period results of operations and financial condition of Colony, which were substantially impacted by the internalization of Colony's manager on April 2, 2015, as well as ongoing capital raising and investment activities over time.
- (2) Colony's historical presentation of total income includes equity in income (loss) of unconsolidated ventures. In the section entitled "Colony NorthStar Unaudited Pro Forma Condensed Consolidated Financial Statements" beginning on page 312 of this joint proxy statement/prospectus, equity in income (loss) of unconsolidated ventures is presented outside of total income for the combined company.
- (3) Includes special dividend of \$0.05 per share of Colony common stock for the year ended December 31, 2012.

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SELECTED HISTORICAL FINANCIAL INFORMATION OF NRF

The following selected consolidated financial information for the years ended December 31, 2011 through December 31, 2015 is derived from audited consolidated financial statements of NRF. The financial information as of and for the nine months ended September 30, 2016 and 2015 are derived from unaudited consolidated financial statements and, in the opinion of NRF's management, contain all adjustments (consisting only of normal recurring adjustments) necessary for a fair presentation of this data at or for those dates. The results of operations for the nine months ended September 30, 2016 are not necessarily indicative of the results that may be expected for the entire year ending December 31, 2016. You should not assume that the results of operations for any past periods are indicative of results for any future period. You should read this information in conjunction with NRF's consolidated financial statements and the related notes thereto included in NRF's Annual Report on Form 10-K for the year ended December 31, 2015 and in NRF's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2016, which are incorporated by reference into this joint proxy statement/prospectus. Refer to the section entitled "Where You Can Find More Information; Incorporation by Reference" beginning on page 420 of this joint proxy statement/prospectus. The results of operations and financial condition as of and for the nine months ended September 30, 2016 are not necessarily indicative of the financial condition and results of operations of NRF for the full year or any future interim periods.

(In thousands, except per share data)	Nine Months Ended September 30,		Years Ended December 31,				
	2016	2015	2015	2014	2013	2012	2011
OPERATING DATA:							
Total property and other revenues	\$ 1,397,475	\$ 1,343,008	\$ 1,817,436	\$ 679,500	\$ 240,847	\$ 114,308	\$ 109,402
Net interest income on debt and securities	109,808	180,741	218,805	298,139	266,357	335,496	355,921
Income (loss) from continuing operations	(305,953)	(92,911)	(158,713)	(276,385)	(79,149)	(257,718)	(234,173)
Income (loss) from discontinued operations ⁽¹⁾		(114,236)	(108,554)	(44,701)	(8,761)	(17,450)	(25,551)
Net income (loss)	(305,953)	(207,147)	(267,267)	(321,086)	(87,910)	(273,089)	(242,526)
Net income (loss) attributable to common stockholders	\$ (361,171)	\$ (255,215)	\$ (327,497)	\$ (371,507)	\$ (137,453)	\$ (288,587)	\$ (263,014)
Income (loss) per share from continuing operations ⁽²⁾	\$ (2.00)	\$ (0.82)	\$ (1.25)	\$ (3.33)	\$ (2.43)	\$ (8.73)	\$ (11.33)
Income (loss) per share from discontinued operations ⁽¹⁾⁽²⁾	\$	\$ (0.67)	\$ (0.62)	\$ (0.46)	\$ (0.17)	\$ (0.56)	\$ (1.14)
Dividends per share of common stock ⁽²⁾	\$ 1.20	\$ 2.35	\$ 2.75	\$ 3.60	\$ 3.40	\$ 2.64	\$ 1.84

	As of September 30,		As of December 31,			
	2016	2015	2014	2013	2012	2011
BALANCE SHEET DATA:						
Total assets	\$ 13,364,889	\$ 15,403,045	\$ 15,178,712	\$ 6,360,050	\$ 5,513,778	\$ 5,006,437
Total borrowings	9,262,011	10,533,785	9,734,262	3,342,071	3,790,072	3,509,126
Total liabilities	9,989,867	11,187,315	10,465,056	3,662,587	4,182,914	3,966,823
Total stockholders' equity	3,102,163	3,799,220	4,396,695	2,658,076	1,301,921	1,007,372
Total equity	3,375,022	4,215,730	4,713,656	2,697,463	1,330,864	1,039,614

(1) Primarily represents income (loss) from the operations of NRF's European real estate business and asset management business which were spun-off on October 31, 2015 and June 30, 2014, respectively.

(2) Adjusted for NRF's one-for-two reverse stock split completed on November 1, 2015.

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**SELECTED UNAUDITED PRO FORMA CONDENSED
CONSOLIDATED FINANCIAL DATA**

The following selected unaudited pro forma condensed consolidated financial data as of and for the nine months ended September 30, 2016 and for the year ended December 31, 2015 presents the pro forma effect of the Mergers on the combined results of operations and financial condition of the combined company. The Mergers are accounted for under the acquisition method of accounting, with Colony as the accounting acquirer. The selected unaudited pro forma condensed consolidated financial data assumes the Mergers had become effective on January 1, 2015, the beginning of the earliest period presented, with respect to statements of operations data, and on September 30, 2016 with respect to balance sheet data.

The selected unaudited pro forma condensed consolidated financial data should be read in conjunction with the historical consolidated financial statements and notes thereto of NSAM, Colony and NRF, which are incorporated by reference into joint proxy statement/prospectus. Refer to the sections entitled "Where You can Find More Information; Incorporation by Reference" beginning on page 420 of this joint proxy statement/prospectus and "Colony NorthStar Unaudited Pro Forma Condensed Consolidated Financial Statements" beginning on page 312 of this joint proxy statement/prospectus.

The selected unaudited pro forma condensed consolidated financial data is presented for illustrative purposes only and is not necessarily indicative of the results of operations or financial position of the Companies had the Mergers and related transactions been completed as of the beginning of the period presented, nor indicative of future financial position or future results of operations of the combined company. The selected unaudited pro forma condensed consolidated financial data reflects management's best estimate based on available information and may be revised as additional information becomes available and as additional analyses are performed.

(In thousands, except per share data)	Nine Months Ended September 30, 2016	Year Ended December 31, 2015
Pro Forma Consolidated Statement of Operations Data:		
Total revenues	\$ 2,020,722	\$ 2,721,759
Net income (loss) from continuing operations	(107,228)	86,818
Net income (loss) from continuing operations attributable to common stockholders	(319,282)	(127,397)
Pro Forma Per Share Data:		
Net income (loss) per share from continuing operations attributable to common stockholders:		
Basic	\$ (0.58)	\$ (0.23)
Diluted	(0.58)	(0.23)

	As of September 30, 2016
Pro Forma Consolidated Balance Sheet Data:	
Total assets	\$ 24,367,520
Total debt	10,635,111
Total liabilities	12,255,983
Total stockholders' equity	8,481,698
Total equity	12,036,388

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The following tables set forth certain historical and unaudited pro forma combined and pro forma equivalent per share information. The pro forma combined and pro forma equivalent per share information are presented as if the Mergers had become effective on January 1, 2015, the beginning of the earliest period presented, with respect to net income (loss) per share and dividends per share, and on September 30, 2016 with respect to book value per share.

The pro forma equivalent information shows the effect of the Mergers from the perspective of an owner of NSAM and NRF common shares. As this is a reverse acquisition, the NSAM and NRF pro forma equivalent per common share amounts were calculated by dividing the Colony pro forma combined per share amounts by the exchange ratio of 1.4663 for NSAM and 1.3335 for NRF. The Colony-to-NRF exchange ratio was derived based on the pre-determined exchange ratio of 1.0996 shares of Colony NorthStar common stock for each share of NRF common stock.

This information is derived from and should be read in conjunction with the historical consolidated financial statements and related notes of Colony, NSAM and NRF, which are incorporated by reference into this joint proxy statement/prospectus. Refer to the sections entitled "Where You Can Find More Information; Incorporation by Reference" beginning on page 420 of this joint proxy statement/prospectus and "Colony NorthStar Unaudited Pro Forma Condensed Consolidated Financial Statements" beginning on page 312 of this joint proxy statement/prospectus for additional information.

The unaudited pro forma consolidated per share data is presented for illustrative purposes only and is not necessarily indicative of the operating results or financial position of the Companies had the Mergers and related transactions been consummated at the beginning of the earliest period presented, nor is it necessarily indicative of future operating results or financial position of the combined company. The pro forma per share information represents management's best estimate based upon information and assumptions at the time of the filing of this joint proxy statement/prospectus and may be revised as additional information becomes available and as additional analyses are performed.

	Colony		NSAM		NRF	
	Pro Forma		Pro Forma		Pro Forma	
	Historical	Combined ⁽²⁾	Historical	Equivalent ⁽²⁾	Historical	Equivalent ⁽²⁾
<u>For the nine months ended September 30, 2016:</u>						
Net income (loss) per share from continuing operations attributable to common stockholders:						
Basic	\$ 0.73	\$ (0.58)	\$ 0.28	\$ (0.40)	\$ (2.00)	\$ (0.44)
Diluted	\$ 0.73	\$ (0.58)	\$ 0.28	\$ (0.40)	\$ (2.00)	\$ (0.44)
Dividends per share of common stock ⁽¹⁾	\$ 1.20	N/A ⁽¹⁾	\$ 0.30	N/A ⁽¹⁾	\$ 1.20	N/A ⁽¹⁾
<u>As of September 30, 2016:</u>						
Book value per share of common stock	\$ 19.38	\$ 12.38	\$ 1.08	\$ 8.44	\$ 11.71	\$ 9.28
<u>For the year ended December 31, 2015:</u>						
Net income (loss) per share from continuing operations attributable to common stockholders:						
Basic	\$ 0.96	\$ (0.23)	\$ 0.61	\$ (0.16)	\$ (1.25) ⁽³⁾	\$ (0.17)
Diluted	\$ 0.96	\$ (0.23)	\$ 0.60	\$ (0.16)	\$ (1.25) ⁽³⁾	\$ (0.17)
Dividends per share of common stock ⁽¹⁾	\$ 1.52	N/A ⁽¹⁾	\$ 0.40	N/A ⁽¹⁾	\$ 2.75 ⁽³⁾	N/A ⁽¹⁾

- (1) Pro forma dividends per share of common stock are not presented because the dividend policy for the combined company will be determined by the Colony NorthStar board following the completion of the Mergers. It is anticipated that the combined company's initial per share dividend will be \$1.08 annually paid on a quarterly basis.
- (2) Pro forma per share data excludes the effect of NSAM executive RSUs, RSUs to non-employees, convertible senior notes and potential shares to be issued in connection with retention plans and equity-based awards issued prior to the Mergers.
- (3) NRF historical per share data for the year ended December 31, 2015 was adjusted for NRF's one-for-two reverse stock split completed on November 1, 2015.

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NSAM common stock is listed on the NYSE under the symbol "NSAM," Colony class A common stock is listed on the NYSE under the symbol "CLNY" and NRF common stock is listed on the NYSE under the symbol "NRF." The following tables set forth for the periods indicated the high and low reported closing sales prices per share, as well as the dividend declared per share, of NSAM common stock, Colony class A common stock and NRF common stock as reported by the NYSE.

NSAM's Market Price Data and Dividend Data

	NSAM Common Stock		
	High Price	Low Price	Dividend Per Share
For the calendar quarters ended:			
2016			
September 30, 2016	\$ 13.11	\$ 9.91	\$ 0.10
June 30, 2016	\$ 12.92	\$ 10.04	\$ 0.10
March 31, 2016	\$ 12.08	\$ 9.31	\$ 0.10
2015			
December 31, 2015	\$ 15.35	\$ 10.61	\$ 0.10
September 30, 2015	\$ 19.37	\$ 13.60	\$ 0.10
June 30, 2015	\$ 24.00	\$ 18.49	\$ 0.10
March 31, 2015	\$ 24.75	\$ 20.56	\$ 0.10
2014⁽¹⁾			
December 31, 2014	\$ 22.66	\$ 16.46	\$ 0.10
September 30, 2014	\$ 20.00	\$ 17.72	\$ 0.10

(1)

NSAM commenced operations as a Delaware corporation and separate publicly-traded company on July 1, 2014 upon the spin-off by NRF of its asset management business into NSAM. On October 30, 2014, NSAM declared its first dividend for the three months ended September 30, 2014.

Colony's Market Price Data and Dividend Data

	Colony Class A Common Stock		
	High Price	Low Price	Dividend Per Share
For the calendar quarters ended:			
2016			
September 30, 2016	\$ 19.02	\$ 15.07	\$ 0.40
June 30, 2016	\$ 18.77	\$ 15.31	\$ 0.40
March 31, 2016	\$ 19.72	\$ 15.17	\$ 0.40
2015			
December 31, 2015	\$ 21.76	\$ 19.00	\$ 0.40
September 30, 2015	\$ 23.34	\$ 19.17	\$ 0.38
June 30, 2015	\$ 26.55	\$ 22.65	\$ 0.37
March 31, 2015	\$ 26.78	\$ 24.05	\$ 0.37
2014			
December 31, 2014	\$ 24.75	\$ 21.09	\$ 0.37
September 30, 2014	\$ 23.26	\$ 21.60	\$ 0.36
June 30, 2014	\$ 23.34	\$ 20.88	\$ 0.36
March 31, 2014	\$ 23.26	\$ 20.24	\$ 0.35
2013			
December 31, 2013	\$ 21.00	\$ 19.60	\$ 0.35
September 30, 2013	\$ 21.17	\$ 19.45	\$ 0.35
June 28, 2013	\$ 23.45	\$ 19.27	\$ 0.35
March 28, 2013	\$ 23.47	\$ 19.85	\$ 0.35

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NRF's Market Price Data and Dividend Data

	NRF Common Stock		
	High Price	Low Price	Dividend Per Share
For the calendar quarters ended:			
2016			
September 30, 2016	\$ 13.85	\$ 10.86	\$ 0.40
June 30, 2016	\$ 14.26	\$ 10.97	\$ 0.40
March 31, 2016	\$ 16.70	\$ 8.57	\$ 0.40
2015			
December 31, 2015 ⁽¹⁾	\$ 25.54	\$ 15.60	\$ 0.40
September 30, 2015 ⁽¹⁾	\$ 32.48	\$ 23.66	\$ 0.75
June 30, 2015	\$ 38.20	\$ 31.80	\$ 0.80
March 31, 2015	\$ 38.92	\$ 35.38	\$ 0.80
2014			
December 31, 2014	\$ 37.42	\$ 33.56	\$ 0.80
September 30, 2014 ⁽²⁾	\$ 37.72	\$ 32.20	\$ 0.80
June 30, 2014 ⁽²⁾	\$ 70.56	\$ 58.68	\$ 1.00
March 31, 2014	\$ 65.24	\$ 54.72	\$ 1.00
2013			
December 31, 2013	\$ 53.80	\$ 36.60	\$ 1.00
September 30, 2013	\$ 40.08	\$ 34.44	\$ 0.84
June 28, 2013	\$ 40.64	\$ 33.20	\$ 0.80
March 28, 2013	\$ 38.64	\$ 29.24	\$ 0.76

(1) The spin-off by NRF on October 31, 2015 of its European real estate business (excluding its European healthcare properties) resulted in a decrease in NRF's stock price and dividend per share subsequent to such spin-off.

(2) The spin-off by NRF on July 1, 2014 of its asset management business resulted in a decrease in NRF's stock price and dividend per share subsequent to such spin-off.

Recent Closing Prices

The following table shows the closing sale prices of NSAM common stock, Colony class A common stock and NRF common stock as reported on the NYSE on June 2, 2016, the last full trading day before the public announcement of the merger agreement, and on November 11, 2016, the most recent practicable date before the date of this joint proxy statement/prospectus.

	NSAM Common Stock	Colony Class A Common Stock	NRF Common Stock
June 2, 2016	\$ 12.31	\$ 18.36	\$ 13.48
November 11, 2016	\$ 13.80	\$ 19.21	\$ 14.02

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RISK FACTORS

In addition to the other information included and incorporated by reference into this joint proxy statement/prospectus, including the matters addressed in the section entitled "Cautionary Statement Concerning Forward-Looking Statements" beginning on page 79 of this joint proxy statement/prospectus, you should consider carefully the following risks before deciding whether to vote for the proposals presented in this joint proxy statement/prospectus. By voting in favor of the merger proposals, NSAM, Colony and NRF stockholders will be choosing to invest in Colony NorthStar common stock following the completion of the Mergers. Accordingly, you should read and consider the risks associated with each of the businesses of NSAM, Colony and NRF because these risks will also affect Colony NorthStar. Risks related to NSAM can be found in NSAM's Annual Report on Form 10-K, as amended, for the fiscal year ended December 31, 2015 and NSAM's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2016, risks related to Colony can be found in Colony's Annual Report on Form 10-K, as amended, for the year ended December 31, 2015 and Colony's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2016 and risks related to NRF can be found in NRF's Annual Report on Form 10-K, as amended, for the fiscal year ended December 31, 2015 and NRF's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2016, each of which is incorporated by reference into this joint proxy statement/prospectus. You should also read and consider the other information in this joint proxy statement/prospectus and the other documents incorporated by reference into this joint proxy statement/prospectus. Refer to the section entitled "Where You Can Find More Information; Incorporation by Reference" beginning on page 420 of this joint proxy statement/prospectus. In addition to the risks set forth below, new risks may emerge from time to time, and it is not possible to predict all risk factors nor can NSAM, Colony or NRF assess the impact of all factors on the Mergers and Colony NorthStar following the Mergers or the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in or implied by any forward-looking statements.

Risks Relating to the Mergers

NSAM, Colony and NRF common stockholders cannot be sure of the market price of Colony NorthStar class A common stock they will receive as consideration.

Upon completion of the Mergers, NSAM, Colony and NRF common stockholders will receive shares of Colony NorthStar common stock. Prior to the Mergers, there has not been and will not be established public trading for Colony NorthStar common stock. The market price of Colony NorthStar class A common stock following the Mergers will be unknown until the commencement of trading following completion of the Mergers.

The exchange ratios are fixed and generally will not be adjusted for changes affecting the Companies.

Each of the NSAM exchange ratio, Colony class A exchange ratio, Colony class B exchange ratio and NRF exchange ratio is fixed and may be adjusted only under certain limited circumstances as set forth in the merger agreement and as described in this joint proxy statement/prospectus and will not be adjusted to reflect any changes in the trading prices of NSAM, Colony or NRF common stock on the NYSE between the signing of the merger agreement and the closing of the Mergers.

Completion of the Mergers is subject to many conditions and if these conditions are not satisfied or waived, the Mergers will not be completed.

Completion of the Mergers is subject to many conditions which must be satisfied or waived under the merger agreement in order for the Mergers to be completed including, among others, receipt of each of the NSAM stockholder approval, Colony stockholder approval and NRF stockholder approval.

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For a more complete summary of the conditions that must be satisfied or waived prior to completion of the Mergers, refer to the section entitled "The Merger Agreement Conditions to Completion of the Mergers."

In addition, NSAM, Colony and NRF each may terminate the merger agreement under certain circumstances, including, among other reasons, if the Mergers are not completed by the outside date. If the Mergers are not consummated, the market price of each Company's common stock may decline. Refer to the section entitled "The Merger Agreement Termination of the Merger Agreement" beginning on page 301 of this joint proxy statement/prospectus.

There can be no assurance that the conditions to the closing of the Mergers will be satisfied or waived. For example, Colony NorthStar's ability to qualify as a REIT depends on its acquisition of Colony's and NRF's qualifying REIT assets in the Mergers. Accordingly, in order for counsel to Colony NorthStar to deliver the REIT qualification opinion that is a condition to the closing of the Mergers (a condition that the parties will not waive), the Mergers must be completed sufficiently early in 2017 to allow Colony NorthStar to project, and its counsel to reasonably assume, that Colony NorthStar will satisfy the REIT income and asset tests for the entire taxable year of the Mergers. The date by which the Mergers must be completed for these purposes may be significantly earlier than the outside date. A delay in the closing of the Mergers could therefore preclude Colony NorthStar from being able to satisfy the REIT requirements for the year of the closing and from obtaining the REIT qualification opinion that is a condition to closing.

Accordingly, there can be no assurance that the Mergers will be completed.

NSAM, Colony or NRF may waive one or more of the closing conditions without re-soliciting stockholder approval.

NSAM, Colony or NRF may determine to waive, in whole or in part, one or more of the conditions to their obligations to consummate the Mergers (other than the condition that each of Colony and NRF receives an opinion of counsel regarding Colony NorthStar's ability to qualify as a REIT for its taxable year ending December 31, 2017 and subsequent taxable years). NSAM, Colony or NRF currently expect to evaluate the materiality of any waiver and its effect on NSAM stockholders, Colony stockholders or NRF stockholders, as applicable, in light of the facts and circumstances at the time to determine whether any amendment of this joint proxy statement/prospectus or any re-solicitation of proxies or voting cards is required in light of such waiver. Any determination whether to waive any condition to the Mergers and whether to re-solicit stockholder approval or amend this joint proxy statement/prospectus as a result of a waiver will be made by NSAM, Colony or NRF, as applicable, at the time of such waiver based on the facts and circumstances as they exist at that time.

If the Mergers do not occur, one or more of the Companies may incur payment obligations to the others.

If the merger agreement is terminated under certain circumstances, NSAM may be required to pay NRF and Colony a total termination fee of \$92 million or transaction expenses of up to \$20 million (depending on the specific circumstances), NRF may be required to pay NSAM and Colony a total termination fee of up to \$49 million, which includes \$3 million that NRF would be required to pay NSAM pursuant to the NSAM/NRF side agreement as described in the section entitled "Other Related Agreements" beginning on page 307 of this joint proxy statement/prospectus, or transaction expenses of up to \$20 million (depending on the specific circumstances) and Colony may be required to pay NSAM and NRF a total termination fee of \$92 million or transaction expenses of up to \$20 million (depending on the specific circumstances). Refer to the section entitled "The Merger Agreement Termination of the Merger Agreement Termination Fees" and " Payment of Transaction Expenses upon Termination" beginning on page 304 of this joint proxy statement/prospectus.

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The pendency of the Mergers could adversely affect the business and operations of the Companies.

Due to the operating covenants in the merger agreement, each of the Companies may be unable, during the pendency of the Mergers, to take certain actions without the consent of the other Companies, even if such actions would otherwise prove beneficial to such Company's stockholders. Those operating covenants will continue to apply until the Mergers occur, which will take place no earlier than January 4, 2017 even if the conditions to the closing of the Mergers would have been satisfied prior to that time, unless otherwise agreed by the Companies.

The common stockholders of NSAM, Colony and NRF, each as a group, will hold a significantly smaller share of Colony NorthStar following the closing of the Mergers, than they do as stockholders of each of the Companies currently.

Following the Mergers, former NSAM stockholders, former Colony stockholders and former NRF stockholders are expected to hold approximately 32.85%, 33.25% and 33.90%, respectively, of Colony NorthStar immediately after the completion of the Mergers, on a fully diluted basis, excluding the effect of certain equity-based awards issuable in connection with the Mergers. Consequently, NSAM, Colony and NRF common stockholders, each as a group, will exercise less influence over the management and policies of Colony NorthStar after the completion of the Mergers than they currently exercise over the management and policies of NSAM, Colony and NRF, as applicable.

In addition, unlike NSAM and NRF currently, Colony NorthStar will have Colony NorthStar class B common stock outstanding with voting rights equal to 36.5 votes per share of Colony NorthStar class B common stock. Following the Mergers, former NSAM stockholders, former Colony stockholders and former NRF stockholders are expected to hold approximately 34%, 33% and 33%, respectively, of the voting power of Colony NorthStar common stock upon the completion of the Mergers.

If Colony's financing for the refinancing of certain existing borrowings of NSAM, Colony and NRF becomes unavailable or is insufficient, the Mergers may not be completed.

Colony has obtained financing commitments to fund the refinancing of certain specified borrowings of the Companies and their affiliates in connection with the consummation of the Mergers. The financing commitments are subject to certain conditions, which may or may not be satisfied. In addition, even if these conditions are satisfied, the amount of financing under those financing commitments may be reduced or the cost of obtaining such financing may be increased if certain conditions are not satisfied. In the event that the financing contemplated by those financing commitments is not available or is available in less than the expected amount, other necessary financing may not be available on acceptable terms, in a timely manner or at all. If alternative financing is available, it could be more costly than that reflected in the financing commitments, which would have a negative impact on Colony NorthStar's results of operations following the Mergers. The merger agreement provides that no party will be required to consummate the Mergers if, subject to certain conditions, financing is unavailable and following the Mergers, Colony NorthStar will not have sufficient unrestricted cash to repay certain specified borrowings and all transaction expenses. As a result, if the financing provided for in the financing commitments obtained by Colony is not available, is insufficient and/or the Companies are unable to secure additional funds through alternative sources, the Mergers may not be completed.

The merger agreement contains provisions that could discourage a potential competing acquirer of NSAM, Colony or NRF or could result in any competing proposal being at a lower price than it might be otherwise.

The merger agreement contains "no shop" provisions that, subject to limited exceptions, restrict each Company's ability to solicit, initiate, encourage, facilitate or discuss, or provide any

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confidential or non-public information with regard to, competing third-party proposals to acquire all, or a significant part, of NSAM, Colony or NRF. In addition, any Company that receives a potentially superior offer or proposal not in violation of the "no shop" provisions is required to give the other Companies the opportunity to match or exceed the competing proposal before the Company is permitted to accept such potentially superior proposal. Upon termination of the merger agreement to accept a superior proposal, NSAM, Colony or NRF may be required to pay a termination fee to NSAM, Colony or NRF, as applicable. Refer to the sections entitled "The Merger Agreement Covenants and Agreements No Solicitation or Negotiation of Acquisition Proposals" beginning on page 296 of this joint proxy statement/prospectus and " Termination of the Merger Agreement Termination Fees" beginning on page 304 of this joint proxy statement/prospectus.

In addition, Colony stockholders holding approximately 16% of the voting power of Colony have agreed to vote in favor of the transactions contemplated by the merger agreement and against other acquisition proposals and certain other actions and transactions.

These provisions, among others described in this joint proxy statement/prospectus: (i) could discourage a potential competing acquirer that might have an interest in acquiring all, or a significant part, of NSAM, Colony or NRF from considering or proposing an acquisition, even if it were prepared to pay consideration with a higher per share cash or market value than the market value proposed to be received or realized in the Mergers; or (ii) might result in a potential competing acquirer proposing to pay a lower price than it might otherwise have proposed to pay because of the added expense of the termination fee or expense reimbursement that may become payable in certain circumstances.

If the Mergers are approved, the date on which NSAM, Colony and NRF common stockholders will receive common stock in Colony NorthStar is uncertain.

Even if the Mergers are approved by the respective stockholders of the Companies, the date on which the Mergers are consummated and NSAM, Colony and NRF common stockholders will receive common stock in Colony NorthStar will remain uncertain, and may not occur at all. Although the Companies expect that the Mergers will be completed in January 2017 (but not before January 4, 2017), the completion date of the Mergers might be later than expected due to delays in obtaining regulatory approvals from certain regulatory and governmental authorities or other unforeseen events. In addition, there can be no assurance that the Mergers will be completed even if the required stockholder approvals are obtained. Refer to the section entitled "The Mergers Regulatory Approvals in Connection with the Mergers" beginning on page 226 of this joint proxy statement/prospectus.

These regulatory and governmental entities may impose conditions on the granting of such approvals and if such regulatory and governmental entities seek to impose such conditions, lengthy negotiations may ensue among such regulatory or governmental entities, NSAM, Colony and NRF. Such conditions and the process of obtaining regulatory approvals could have the effect of delaying completion of the Mergers and such conditions may not be satisfied for an extended period of time following the NSAM special meeting, Colony special meeting and NRF special meeting. Such conditions may also impose additional costs or limitations on the combined company following the completion of the Mergers, including the requirement that the respective NSAM, Colony and NRF businesses divest certain assets if necessary in order to obtain certain regulatory approvals, and may limit the ability of the combined company to integrate parts of the NSAM, Colony and NRF businesses and negatively impact the ultimate composition of Colony NorthStar. These conditions may therefore reduce the anticipated benefits of the Mergers, which could also have a material adverse effect on the combined company's business and cash flows and results of operations, and neither NSAM, Colony nor NRF can predict what, if any, changes may be required by regulatory or governmental authorities whose approvals are required. The regulatory approvals may not be received at all, may not be received in a timely fashion, and may contain conditions on the completion of the Mergers. Subject to the terms

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of the merger agreement, NSAM, Colony and NRF have each agreed to use their reasonable best efforts to take all actions necessary, proper or desirable to complete the Mergers and related transactions contemplated by the merger agreement.

The merger agreement includes restrictions on the ability of each of the Companies to make distributions to its stockholders, even if it would otherwise have net income and net cash available to make such distributions.

Pursuant to the merger agreement:

NSAM is permitted, prior to the closing of the Mergers, to declare distributions to its common stockholders of up to (i) \$0.10 per share of NSAM common stock with respect to each quarter of 2016 so long as the distribution is declared and paid no earlier than the date of declaration and payment in the prior calendar year and (ii) a pro rata portion of the \$0.10 per share dividend for any partial period of the first calendar quarter of 2017. In 2016, NSAM declared its fourth quarter 2015 dividend on February 25, 2016. As a result, if the Mergers are completed on or prior to February 25, 2017, NSAM will not declare a dividend for the fourth quarter of 2016. The NSAM board is also permitted to declare a special dividend in cash in respect of NSAM common stock in an aggregate amount of \$228 million to be paid in 2017 to stockholders of record as of a date on or after January 1, 2017 and prior to the closing of the Mergers.

Colony is permitted, prior to the closing of the Mergers, to declare distributions to its common stockholders of up to (i) \$0.40 per share of Colony common stock with respect to each quarter of 2016 so long as the distribution is declared and paid no earlier than the date of declaration and payment in the prior calendar year and (ii) a pro rata portion of the \$0.40 per share dividend for any partial period of the first calendar quarter of 2017. Colony declared its fourth quarter 2015 dividend on November 4, 2015. Given that the Mergers will not be completed earlier than January 2017, Colony will be permitted to declare its fourth quarter 2016 dividend even if the Mergers are completed.

NRF is permitted, prior to the closing of the Mergers, to declare distributions to its common stockholders of up to (i) \$0.40 per share of NRF common stock with respect to each quarter of 2016 so long as the distribution is declared and paid no earlier than the date of declaration and payment in the prior calendar year and (ii) a pro rata portion of the \$0.40 per share dividend for any partial period of the first calendar quarter of 2017. In 2016, NRF declared its fourth quarter 2015 dividend on February 25, 2016. As a result, if the Mergers are completed on or prior to February 25, 2017, NRF will not declare or pay a dividend for the fourth quarter of 2016.

Given their status as REITs, Colony and NRF may need to (and are permitted to under the merger agreement) make certain minimum distributions in excess of the above limits. In the event the amounts of permitted dividends described above are exceeded, pursuant to a distribution necessary for Colony or NRF, as applicable, to qualify as a REIT or to avoid the incurrence of any income or excise tax, the Colony class A exchange ratio, Colony class B exchange ratio and NRF exchange ratio, as applicable, will be adjusted.

Although the Companies generally have agreed to use their reasonable best efforts to close the Mergers as promptly as practicable in accordance with the merger agreement, certain factors, which include obtaining the NSAM stockholder approval, Colony stockholder approval and NRF stockholder approval, could delay the closing. Therefore, even if NSAM, Colony or NRF has available net income or net cash to make distributions to its common stockholders and satisfies any other conditions to make such distributions, the terms of the merger agreement could prohibit such action. Refer to the section

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entitled "The Merger Agreement Covenants and Agreements Conduct of the Business Pending the Mergers" beginning on page 293 of this joint proxy statement/prospectus.

The Companies will be subject to business uncertainties and certain operation restrictions until consummation of the Mergers.

Uncertainty about the effect of the Mergers on employees and clients may have an adverse effect on the Companies or the combined company following the Mergers. These uncertainties could disrupt the business of the Companies and impair their ability to attract, retain and motivate key personnel until the Mergers are completed, and cause clients and others that deal with the Companies to seek to change existing business relationships, cease doing business with the Companies or cause potential new clients to delay doing business with the Companies until the Mergers have been completed successfully. Retention and motivation of certain employees may be challenging during the pendency of the Mergers due to uncertainty about their future roles and difficulty of integration. If key employees depart because of issues related to the uncertainty and difficulty of integration or a desire not to remain with the combined company, Colony NorthStar's business following the Mergers could be negatively impacted. In addition, the merger agreement restricts the parties thereto from making certain acquisitions and investments and taking other specified actions until the Mergers occur without the consent of the other parties. These restrictions may prevent the Companies from pursuing attractive business opportunities that may arise prior to the completion of the Mergers. Refer to the section entitled "The Merger Agreement Covenants and Agreements Conduct of the Business Pending the Mergers" beginning on page 293 of this joint proxy statement/prospectus for a description of the restrictive covenants to which each of the Companies is subject.

The shares of Colony NorthStar common stock to be received by NSAM, Colony and NRF common stockholders as a result of the Mergers will have rights different from the shares of NSAM, Colony and NRF common stock.

Upon completion of the Mergers, the rights of former NSAM, Colony and NRF common stockholders who become Colony NorthStar common stockholders will be governed by the Colony NorthStar charter and Colony NorthStar bylaws and the MGCL. The rights associated with NSAM, Colony and NRF common stock are different from the rights to be associated with Colony NorthStar common stock after the Mergers. Refer to the section entitled "Comparison of Rights of Stockholders of NSAM, Colony and NRF with the Rights of Stockholders of Colony NorthStar" beginning on page 373 of this joint proxy statement/prospectus for additional information.

If counterparties to certain agreements with NSAM, Colony or NRF do not consent to the Mergers, change of control rights under those agreements may be triggered, which could cause the combined company to lose the benefit of such agreements and incur liabilities or replacement costs.

Each of NSAM, Colony and NRF is a party to one or more agreements that will require NSAM, Colony or NRF, as applicable, to obtain consents from third parties in connection with the Mergers. If these consents cannot be obtained, the counterparties to these contracts and other third parties with whom NSAM, Colony and/or NRF currently have relationships may have the ability to terminate, reduce the scope of or otherwise materially adversely alter their relationships with any or all three of the parties in anticipation of the Mergers, or with the combined company following the Mergers. The pursuit of such rights may result in NSAM, Colony, NRF or the combined company suffering a loss of potential future revenue or incurring liabilities in connection with a breach of such agreements and may result in the loss of rights that are material to the combined company's business. Any such disruptions could limit the combined company's ability to achieve the anticipated benefits of the Mergers. The adverse effect of such disruptions could also be exacerbated by a delay in the completion of the Mergers or the termination of the merger agreement.

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Some of the directors and executive officers of NSAM, Colony and NRF have interests in seeing the Mergers completed that are different from, or in addition to, those of the other NSAM, Colony and NRF common stockholders.

Some of the directors and executive officers of NSAM, Colony and NRF have arrangements that provide them with interests in the Mergers that are different from, or in addition to, the common stockholders of NSAM, Colony and NRF generally. These interests include, among other things, the continued service as a director or an executive officer of Colony NorthStar following the Mergers and certain rights to continuing indemnification, directors' and officers' liability insurance and other amounts and benefits that may become payable to them in connection with the Mergers. These interests, among other things, may influence the directors and executive officers of NSAM, Colony and NRF to support or approve the Mergers. Refer to the sections entitled "The Mergers Interests of NSAM's Directors and Executive Officers in the Mergers" beginning on page 211 of this joint proxy statement/prospectus; " Interests of Colony's Directors and Executive Officers in the Mergers" beginning on page 218 of this joint proxy statement/prospectus; and " Interests of NRF's Directors and Executive Officers in the Mergers" beginning on page 220 of this joint proxy statement/prospectus.

Failure to complete contemplated asset divestitures could adversely affect Colony NorthStar's credit profile.

Under the merger agreement, NRF is required, in good faith, to continue to seek to consummate certain asset sales that NRF was already exploring, the proceeds of which are expected to be used to repay borrowings or pay transaction costs. There can be no assurance that NRF will be able to consummate any such assets sales on favorable terms or at all. Any potential asset sales would be dependent upon a number of factors that may be beyond NRF's control, including, among other factors, market conditions, industry trends, the interest of third parties in NRF's assets and the availability of financing to potential buyers on reasonable terms.

If NRF is unable to divest such assets, or if it is unable to do so on favorable terms, Colony NorthStar may have greater than anticipated borrowings as of the closing, which would impact negatively its credit profile, and could therefore impact negatively its ability to enhance its credit profile in the future and/or make attractive acquisitions.

Failure to complete the Mergers could negatively affect the stock price and the future business and financial results of each of NSAM, Colony and NRF.

If the merger agreement is terminated and the Mergers are not completed for any reason, including as a result of NSAM, Colony or NRF stockholders' failing to approve the necessary proposals, each Company's ongoing business could be adversely affected and, without realizing any of the benefits of having completed the Mergers, may be subject to several risks, including that:

each Company may experience negative reactions from the financial markets, including negative impacts on their respective stock prices;

each Company may experience negative reactions from their respective customers and employees;

each Company will be required to pay certain costs relating to the Mergers, whether or not the Mergers are completed, and, depending on the circumstances relating to a termination, may be required to pay a termination fee of \$92 million in the case of NSAM and Colony or \$49 million in the case of NRF or transaction expenses of up of \$20 million; and

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management focus and resources of each Company may be diverted from operational matters and other strategic opportunities while working to implement the Mergers.

Risks Relating to an Investment in Colony NorthStar Following the Mergers

Colony NorthStar may not realize the anticipated benefits of the Mergers.

NSAM, Colony and NRF entered into the merger agreement because each believes that the Mergers will be beneficial to the Companies and stockholders of the Companies and that combining the businesses of NSAM, Colony and NRF will produce benefits and cost savings. If the combined company is not able to combine successfully the businesses of NSAM, Colony and NRF in an efficient and effective manner, the anticipated benefits and cost savings of the Mergers may not be realized fully, or at all, or may take longer to realize than expected, and the value of Colony NorthStar common stock may be adversely affected.

An inability to realize the full extent of the anticipated benefits of the Mergers and related transactions contemplated by the merger agreement, as well as any delays encountered in the integration process, could have an adverse effect upon the revenues, level of expenses and operating results of the combined company, which may adversely affect the value of Colony NorthStar common stock following the Mergers.

The management of the combined company will have to dedicate substantial effort to integrating the businesses of NSAM, Colony and NRF during the integration process. These efforts may divert management's focus and resources from the combined company's business, corporate initiatives or strategic opportunities. In addition, the actual integration may result in additional and unforeseen expenses and the anticipated benefits of the integration may not be realized. Actual growth and cost savings, if achieved, may be lower than what the combined company expects and may take longer to achieve than anticipated. Difficulties associated with managing Colony NorthStar's larger and more complex portfolio could prevent Colony NorthStar from realizing the anticipated benefits of the Mergers and have a material adverse effect on its business. If Colony NorthStar is not able to address integration challenges adequately, the combined company may be unable to integrate successfully the operations of NSAM, Colony and NRF or to realize the anticipated benefits of the integration of the three Companies.

As discussed above, the senior management of the Companies is expected to change, especially with respect to NSAM and NRF. The changes in senior management could negatively impact the results of operations of Colony NorthStar, particularly as it relates to the business associated with NSAM and NRF prior to the Mergers.

Following the completion of the Mergers, Colony NorthStar will face risks different from those faced by NSAM, Colony and NRF today, which may affect Colony NorthStar's results of operations and the market price of Colony NorthStar class A common stock.

Colony NorthStar's business will differ from that of NSAM, Colony and NRF, and, accordingly, the results of operations and financial condition of Colony NorthStar after the Mergers may be affected by factors different from those affecting NSAM's, Colony's or NRF's results of operations and financial condition prior to the Mergers. Examples of differences between NSAM's,

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Colony's and NRF's businesses and the new or increased risks Colony NorthStar may face after the Mergers include:

a large increase in the amount of assets under management and a diversification of types of assets under management, which may create risks related to scaling and combining of the platforms necessary to manage the combined assets of the Companies;

additional conflicts between and among the clients and managed companies of the Companies;

certain investment vehicles managed by NSAM and Colony may compete for investment opportunities and may be adversely impacted to the extent such opportunities are allocated between them;

Colony NorthStar's possible failure to successfully implement its plan to optimize its combined portfolio consisting primarily of owned real estate; and

a larger and newly combined team of management and employees may require time to become fully effective and may not be able to achieve Colony NorthStar's anticipated synergies and higher earnings growth.

In particular for current NSAM stockholders, Colony NorthStar will be treated as a REIT for tax purposes and, as a result of requirements in order maintain REIT status, Colony NorthStar's flexibility to structure its operations and enter new lines of business will be significantly more limited than the flexibility enjoyed by NSAM currently. Both NRF and Colony are already REITs.

The market price of Colony NorthStar class A common stock may be volatile and holders of Colony NorthStar class A common stock could lose a significant portion of their investment due to drops in the market price of Colony NorthStar class A common stock following completion of the Mergers.

The market price of Colony NorthStar class A common stock may be volatile and following completion of the Mergers, stockholders may not be able to resell their Colony NorthStar common stock at or above the implied price at which they acquired such Colony NorthStar common stock pursuant to the merger agreement or otherwise due to fluctuations in the market price of Colony NorthStar class A common stock, including changes in market price caused by factors unrelated to the combined company's operating performance or prospects. Specific factors that may have a significant effect on the market price of Colony NorthStar class A common stock following completion of the Mergers include, among others, the following:

changes in stock market analyst recommendations or earnings estimates regarding the combined company's common stock, other companies comparable to it or companies in the industries they serve;

actual or anticipated fluctuations in the combined company's operating results or future prospects;

reactions to public announcements by the combined company;

strategic actions taken by the combined company or its competitors, such as the intended business separations, acquisitions or restructurings;

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failure of the combined company to achieve the perceived benefits of the transactions, including financial results and anticipated synergies, as rapidly as or to the extent anticipated by financial or industry analysts;

adverse conditions in the financial market or general U.S. or international economic conditions, including those resulting from war, incidents of terrorism and responses to such events; and

sales of common stock by the combined company, members of its management team or significant stockholders.

Colony's tax protection agreement could limit the combined company's ability to sell certain properties, engage in a strategic transaction or reduce its level of indebtedness, which could materially and adversely affect the combined company.

Prior to the closing of the Mergers, Colony, Colony OP, Colony Capital LLC, CCH Management Partners I, LLC, FHB Holding LLC and Richard B. Saltzman, each of which we refer to as a protected member, intend to enter into a tax protection agreement, which we refer to as the TPA. The TPA will provide that each protected member will be indemnified on an after-tax basis for any Section 704(c) gain, calculated as provided in the TPA, as a result of a transaction occurring during the period commencing on June 3, 2016 and ending on the fifth anniversary of the closing of the Mergers and that is considered to be a sale of the tax goodwill or going concern value or airplane owned by Colony OP and contributed (directly or indirectly) by such protected members, which we refer to, collectively, as the protected property, other than on transfers to the protected members or persons or entities related to the protected members. The TPA will also apply to a merger or other transaction that would convert interests in Colony OP held by the protected members to cash or otherwise result in a taxable disposition of such interests, but would not apply to a transaction in which the equity interests of the protected members are maintained in a manner that does not trigger gain or offers the protected members the option to roll over their investment into an equity interest that is substantially equivalent (including value, profit and loss share, distribution rights and liquidity) to the equity interests exchanged in such transaction.

If the combined company's tax indemnification obligations were to be triggered under these agreements, the combined company would be required to pay damages for the resulting tax consequences to the protected members and the calculation of damages will not be based on the time value of money or the time remaining within the restricted period. Moreover, these obligations may restrict the combined company's ability to engage in a strategic transaction. In addition, these obligations may require the combined company to maintain more or different indebtedness than the combined company would otherwise require for the company's business. Colony OP estimates that if all of its assets subject to the TPA were sold in a taxable transaction immediately after the completion of the Mergers, its indemnification obligations (based on tax rates applicable for the taxable year ending December 31, 2016 and exchange values and including additional payments to compensate the protected members for additional tax liabilities resulting from the indemnification payments) would be approximately \$410 million.

Tax consequences to holders of operating partnership units upon a sale or refinancing of the combined company's properties may cause the interests of certain members of the combined company's senior management team to differ from your own.

As a result of the unrealized built-in gain attributable to a property at the time of contribution, some holders of operating partnership units, including the protected members may suffer different and more adverse tax consequences than holders of common stock or other holders of

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operating partnership units upon the sale or refinancing of the properties owned by the operating partnership, including disproportionately greater allocations of items of taxable income and gain upon a realization event.

As those holders will not receive a correspondingly greater distribution of cash proceeds, they may have different objectives regarding the appropriate pricing, timing and other material terms of any sale or refinancing of certain properties, or whether to sell or refinance such properties at all. As a result, the effect of certain transactions on the protected members may influence their decisions affecting these properties and may cause them to attempt to delay, defer or prevent a transaction that might otherwise be in the best interests of the combined company's other stockholders.

As a result of entering into the TPA described in the above risk factor, the protected members may have an incentive to cause the company to enter into transactions from which they may personally benefit.

Each of the Companies prior to the closing, and Colony NorthStar following the closing of the Mergers, expects to incur significant costs in connection with the consummation of the Mergers and the integration of the Companies.

Each of the Companies prior to the closing, and Colony NorthStar following the closing, expects to incur significant costs in connection with consummating the Mergers and integrating the portfolios of NSAM, Colony and NRF into Colony NorthStar, including unanticipated costs and the assumption of known and unknown liabilities. While each of the Companies and Colony NorthStar have assumed that a certain level of transaction and integration expenses will be incurred, there are factors beyond each of the Companies and Colony NorthStar's control that could affect the total amount or the timing of its integration expenses. Many of the expenses that will be incurred, by their nature, are difficult to estimate accurately at the present time. Although NSAM, Colony and NRF expect that the elimination of duplicative costs, as well as the realization of other efficiencies related to the integration of the three businesses, should allow the combined company to offset these incremental expenses over time, the net benefit may not be achieved in the near term, or at all.

Colony NorthStar cannot assure you that it will be able to continue paying distributions equal to the levels projected by the Companies to be paid following the Mergers or at the levels currently paid by NSAM, Colony and NRF individually.

Colony NorthStar common stockholders may not receive distributions equal to the levels projected by the Companies to be paid following the Mergers or equivalent to the levels currently paid by NSAM, Colony or NRF for various reasons, including, but not limited to, the following:

Colony NorthStar may not have enough unrestricted funds to pay such distributions due to changes in Colony NorthStar's cash requirements, capital spending plans, cash flow or financial position;

decisions on whether, when and in which amounts to make any future distributions will be at the discretion of the Colony NorthStar board and will be dependent on then-existing conditions, including the combined company's financial condition, earnings, legal requirements, including limitations under Maryland law, restrictions in Colony NorthStar's borrowing agreements that limit its ability to pay dividends to stockholders, the rights of holders of Colony NorthStar preferred stock to receive dividends in respect of such shares prior to Colony NorthStar being permitted to pay any dividends in respect of Colony NorthStar common stock and other factors the Colony NorthStar board deems relevant; and

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Colony NorthStar may desire to retain cash to improve its credit profile or for other reasons.

In particular, the Companies currently anticipate that the level of distributions to be paid by Colony NorthStar will be lower than the level of distributions currently paid by NRF. Following the closing of the Mergers, common stockholders of Colony NorthStar will have no contractual or other legal right to distributions that have not been declared by the Colony NorthStar board.

Colony NorthStar's operating results after the Mergers may differ materially from the pro forma information presented in this joint proxy statement/prospectus.

The unaudited pro forma condensed consolidated financial statements in this joint proxy statement/prospectus are presented for illustrative purposes only and are not necessarily indicative of what Colony NorthStar's actual financial condition or results of operations will be when the Mergers are completed on the dates indicated. The unaudited pro forma condensed consolidated financial statements reflect adjustments based upon preliminary estimates that may change and assumptions about the Mergers that may prove incorrect over time. Accordingly, the final acquisition accounting adjustments may differ materially from the pro forma adjustments reflected in this joint proxy statement/prospectus. Colony NorthStar's operating results after the Mergers may be materially different from those shown in the pro forma information presented in this joint proxy statement/prospectus, which represents only a combination of NSAM's, Colony's and NRF's respective historical results. Refer to the section entitled "Colony NorthStar Unaudited Pro Forma Condensed Consolidated Financial Statements" beginning on page 312 of this joint proxy statement/prospectus.

At the closing of the Mergers, Colony NorthStar will assume liabilities and obligations of NSAM, Colony and NRF.

Following and by virtue of completion of the Mergers, Colony NorthStar will have assumed the liabilities and obligations of NSAM, Colony and NRF, including NRF's obligations under its exchangeable senior notes and Colony's obligations under its convertible notes. These liabilities could have a material adverse effect on Colony NorthStar's business to the extent the Companies have not identified such liabilities or have underestimated the nature, amount or significance, based on amount or otherwise, of such liabilities.

Colony NorthStar may be unable to retain necessary NSAM, Colony and/or NRF personnel successfully after the Mergers are completed.

The success of the Mergers will depend in part on the combined company's ability to retain the key employees currently employed by the Companies. It is possible that these employees may decide not to remain with NSAM, Colony or NRF, as applicable, while the Mergers are pending or with Colony NorthStar after the Mergers are consummated. If key employees terminate their employment, or if an insufficient number of employees are retained to maintain effective operations, Colony NorthStar's business activities may be adversely affected and management's attention may be diverted from successfully integrating the Companies to hire suitable replacements, all of which may cause Colony NorthStar's business to suffer. In addition, Colony NorthStar may not be able to locate suitable replacements for any key employees or to offer employment to potential replacements on reasonable terms. Further, it is expected that certain current executive officers of NSAM and NRF will depart after providing transition services to Colony NorthStar which may cause Colony NorthStar's business to be adversely affected.

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In connection with the Mergers, Colony NorthStar is expected to refinance certain existing borrowings of NSAM, Colony and NRF. Colony's and NRF's preferred stock and Colony NorthStar's level of outstanding borrowings following the completion of the Mergers could adversely affect Colony NorthStar's ability to raise additional capital and to meet its obligations under its existing borrowings.

In connection with the Mergers, Colony NorthStar expects to refinance a total of approximately \$2.7 billion of outstanding borrowings of NSAM, Colony and NRF and will also assume Colony's and NRF's existing obligations under their outstanding series of preferred stock. Colony NorthStar's obligations under the terms of its expected borrowings at closing and its preferred stock could impact Colony NorthStar negatively. For example, it could:

limit Colony NorthStar's ability to obtain additional financing for working capital, capital expenditures, debt service requirements, acquisitions and general corporate or other purposes;

restrict Colony NorthStar from making strategic acquisitions or cause the combined company to make non-strategic divestitures;

restrict Colony NorthStar from paying dividends to its stockholders;

increase Colony NorthStar's vulnerability to general economic and industry conditions; and

require a substantial portion of cash flow from operations to be dedicated to the payment of principal and interest on the combined company's borrowings, thereby reducing Colony NorthStar's ability to use cash flow to fund its operations, capital expenditures and future business opportunities.

Holders of Colony NorthStar preferred stock would receive, upon Colony NorthStar's voluntary or involuntary liquidation, dissolution or winding up, before any payment is made to holders of Colony NorthStar common stock, their respective liquidation preferences as well as any accrued and unpaid distributions. These payments would reduce the amount of the remaining assets of Colony NorthStar, if any, available for distribution to holders of its common stock.

General market conditions and unpredictable factors, including conditions and factors different from those affecting Colony preferred stock and NRF preferred stock currently, could adversely affect market prices of Colony NorthStar preferred stock after being exchanged for outstanding Colony preferred stock and NRF preferred stock.

There can be no assurance about the market prices of Colony NorthStar preferred stock that will be exchanged for Colony preferred stock and NRF preferred stock, as applicable, in connection with the Mergers. Several factors, many of which are beyond the control of Colony NorthStar, could influence the market prices of Colony NorthStar preferred stock, including:

whether Colony NorthStar declares or fails to declare dividends on the Colony NorthStar preferred stock from time to time;

real or anticipated changes in the credit ratings assigned to the Colony NorthStar securities;

Colony NorthStar's creditworthiness and credit profile;

interest rates;

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developments in the securities, credit and housing markets, and developments with respect to financial institutions generally;

the market for similar securities; and

economic, corporate, securities market, geopolitical, regulatory or judicial events that affect Colony NorthStar, the asset management or real estate industries or the financial markets generally.

Shares of Colony NorthStar common stock and preferred stock will rank junior to all indebtedness of, and other non-equity claims on, Colony NorthStar with respect to assets available to satisfy such claims. The market prices of Colony NorthStar class A common stock and Colony NorthStar preferred stock may be affected by factors different from those currently affecting the market prices of Colony class A common stock, Colony preferred stock, NRF common stock or NRF preferred stock.

Certain provisions of Maryland law may limit the ability of a third party to acquire control of Colony NorthStar, which could depress the market price of Colony NorthStar class A common stock.

Certain provisions of the MGCL may have the effect of inhibiting a third party from acquiring Colony NorthStar or of impeding a change of control under circumstances that otherwise could provide Colony NorthStar's stockholders with the opportunity to realize a premium over the then-prevailing market price of Colony NorthStar class A common stock, including:

"business combination" provisions that, subject to limitations, prohibit certain business combinations between an "interested stockholder" (defined generally as any person who beneficially owns 10% or more of the voting power of our outstanding shares of voting stock or an affiliate or associate of the corporation who, at any time within the two-year period immediately prior to the date in question, was the beneficial owner of 10% or more of the voting power of the then outstanding stock of the corporation) or an affiliate of any interested stockholder and Colony NorthStar for five years after the most recent date on which the stockholder becomes an interested stockholder and thereafter imposes two super-majority stockholder voting requirements on these combinations; and

"control share" provisions that provide that holders of "control shares" of Colony NorthStar (defined as voting shares of stock that, if aggregated with all other shares of stock owned or controlled by the acquirer, would entitle the acquirer to exercise one of three increasing ranges of voting power in electing directors) acquired in a "control share acquisition" (defined as the direct or indirect acquisition of issued and outstanding "control shares") have no voting rights except to the extent approved by stockholders by the affirmative vote of at least two-thirds of all of the votes entitled to be cast on the matter, excluding all interested shares.

Pursuant to the Maryland Business Combination Act, the Colony NorthStar board has exempted any business combinations between Colony NorthStar and any person, provided that any such business combination is first approved by the Colony NorthStar board (including a majority of Colony NorthStar's directors who are not affiliates or associates of such person). Consequently, the five-year prohibition and the super-majority vote requirements do not apply to business combinations between Colony NorthStar and any of its interested stockholders (or their affiliates). As a result, such parties may be able to enter into business combinations with Colony NorthStar that may not be in the best interest of the Colony NorthStar stockholders, without compliance with the supermajority vote requirements and the other provisions in the statute. The Colony NorthStar bylaws contain a provision exempting from the Maryland Control Share Acquisition Act any and all acquisitions by any person of

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shares of Colony NorthStar stock. There can be no assurance that these resolutions or exemptions will not be amended or eliminated at any time in the future.

Additionally Title 3, Subtitle 8 of the MGCL, which we refer to as Subtitle 8, permits the Colony NorthStar board, without stockholder approval, to implement certain takeover defenses. The Colony NorthStar charter contains a provision that prohibits the Colony NorthStar board from opting into any provision of Subtitle 8.

Risk Relating to Colony NorthStar Status under the Investment Company Act of 1940

Failure to maintain its exemption from registration under the Investment Company Act could require Colony NorthStar to register as an investment company or substantially change the way it conducts its business, either of which may have an adverse effect on Colony NorthStar and the market price for shares of Colony NorthStar class A common stock.

As discussed in the section entitled "Colony NorthStar Status under the Investment Company Act of 1940" beginning on page 404 of this joint proxy statement/prospectus, none of Colony NorthStar, NSAM, Colony or NRF is currently registered as an investment company under the Investment Company Act and following the closing of the Mergers, Colony NorthStar intends to conduct its operations so that it is not required to register as an investment company under the Investment Company Act. Maintenance of the applicable exemptions requires that Colony NorthStar subject its business to certain limitations on investment and activities.

If Colony NorthStar fails to maintain its exemption from registration as an investment company under the Investment Company Act, either because of changes in SEC guidance or otherwise, Colony NorthStar could be required to, among other things: (i) substantially change the manner in which it conducts its operations to avoid being required to register as an investment company under the Investment Company Act; or (ii) register as an investment company. Either of (i) or (ii) could have an adverse effect on Colony NorthStar and the market price for shares of Colony NorthStar class A common stock. If Colony NorthStar is required to register as an investment company under the Investment Company Act, Colony NorthStar would become subject to substantial regulation with respect to its capital structure (including its ability to use leverage), management, operations, transactions with affiliated persons (as defined in the Investment Company Act), portfolio composition, including restrictions with respect to diversification and industry concentration and other matters.

Rapid changes in the values of Colony NorthStar's real estate-related investments may make it more difficult for Colony NorthStar to maintain its qualification as a REIT for U.S. federal income tax purposes or its exemption from registration under the Investment Company Act.

If the market value or income potential of Colony NorthStar's real estate-related investments declines as a result of increased interest rates, prepayment rates or other factors, Colony NorthStar may need to increase its real estate investments and income and/or liquidate its non-qualifying assets in order to maintain its qualification as a REIT for U.S. federal income tax purposes or its exemption from registration as an investment company under the Investment Company Act. Given the illiquid nature of certain real estate investments, Colony NorthStar can provide no assurances that it would be able to liquidate its non-qualifying assets at opportune times or prices, if at all, in order to maintain its qualification as a REIT or its exemption from registration under the Investment Company Act. Similarly, Colony NorthStar can provide no assurances that it would have sufficient capital or access to capital at favorable prices, if at all, if it were required to increase its qualifying real estate assets in order to maintain its qualification as a REIT or its exemption from registration under the Investment Company Act. If the value of Colony NorthStar's assets fluctuates significantly, Colony NorthStar's ability to maintain its qualification as a REIT or its exemption from registration under the Investment

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Company Act may become particularly difficult, which may cause Colony NorthStar to make investment decisions that it otherwise would not make absent the REIT and Investment Company Act considerations.

Regulation of a subsidiary of Colony NorthStar under the Investment Advisers Act of 1940 subjects Colony NorthStar to the anti-fraud provisions of the Investment Advisers Act of 1940 and to fiduciary duties derived from these provisions.

Following the closing of the Mergers, Colony NorthStar will have a subsidiary that is registered with the SEC as an investment advisor under the Investment Advisers Act of 1940, as amended, which we refer to as the Investment Advisers Act. As a result, Colony NorthStar will be subject to the anti-fraud provisions of the Investment Advisers Act and to fiduciary duties derived from these provisions that apply to Colony NorthStar's relationships with the investment funds that it manages. These provisions and duties impose restrictions and obligations on Colony NorthStar with respect to its dealings with its fund investors and its investments, including, for example, restrictions on agency, cross and principal transactions. Colony NorthStar or its registered investment adviser subsidiaries will be subject to periodic SEC examinations and other requirements under the Investment Advisers Act and related regulations primarily intended to benefit advisory clients. These additional requirements relate to, among other things, maintaining an effective and comprehensive compliance program, recordkeeping and reporting requirements and disclosure requirements. The Investment Advisers Act generally grants the SEC broad administrative powers, including the power to limit or restrict an investment adviser from conducting advisory activities in the event it fails to comply with federal securities laws. Additional sanctions that may be imposed for failure to comply with applicable requirements under the Investment Advisers Act include the prohibition of individuals from associating with an investment adviser, the revocation of registrations and other censures and fines.

Tax Risks Relating to the Mergers

If any of the Redomestication merger, the New NRF Holdco merger together with the LLC conversion, the NRF merger or the Colony merger does not qualify as a "reorganization" within the meaning of Section 368(a) of the Code, stockholders participating in such merger may be required to pay substantial U.S. federal income taxes.

Although the parties intend that each of the Redomestication merger, the New NRF Holdco merger together with the LLC conversion, the NRF merger and the Colony merger will qualify as a "reorganization" within the meaning of Section 368(a) of the Code, it is possible that the Internal Revenue Service, which we refer to as the IRS, could assert that one or more of the Mergers fails to so qualify. If the IRS were to be successful in any such contention, or if for any other reason any such merger were to fail to qualify as a "reorganization," each U.S. holder participating in any such merger would recognize gain or loss with respect to all such U.S. holder's shares of stock based on the difference between: (i) that U.S. holder's tax basis in the relevant shares; and (ii) the aggregate cash and the fair market value of the shares of stock received in the applicable merger. For additional information, refer to the section entitled "U.S. Federal Income Tax Consequences" beginning on page 229 of this joint proxy statement/prospectus.

REITs are subject to a range of complex organizational and operational requirements.

To qualify as a REIT, Colony NorthStar must distribute with respect to each taxable year at least 90% of its net income (excluding capital gains) to its stockholders. A REIT must also meet certain other requirements, including with respect to the nature of its income and assets and the ownership of its stock. For any taxable year that Colony NorthStar fails to qualify as a REIT, it will not be allowed a deduction for dividends paid to its stockholders in computing its net taxable income and

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thus would become subject to federal, state and local income tax as if it were a regular taxable corporation. In such an event, Colony NorthStar could be subject to potentially significant tax liabilities. Unless entitled to relief under certain statutory provisions, Colony NorthStar would also be disqualified from treatment as a REIT for the four taxable years following the year in which it lost its qualification. If Colony NorthStar were to fail to qualify as a REIT, the market price of its common stock could decline, and Colony NorthStar could need to reduce substantially the amount of distributions to its stockholders as a result of any increased tax liability.

Colony NorthStar may incur adverse tax consequences if Colony or NRF were to fail to qualify as a REIT for U.S. federal income tax purposes prior to the Mergers.

It is a condition to the closing of the Mergers that each of Colony and NRF receives an opinion of counsel to the effect that it has qualified as a REIT for U.S. federal income tax purposes under the Code through the time of the Mergers. Neither Colony nor NRF, however, has requested or plans to request a ruling from the IRS that it qualifies as a REIT. Qualification as a REIT involves the application of highly technical and complex Code provisions for which there are only limited judicial and administrative interpretations. The complexity of these provisions and of the applicable Treasury Regulations that have been promulgated under the Code is greater in the case of a REIT that holds its assets through a partnership (such as Colony and NRF). The determination of various factual matters and circumstances not entirely within the control of Colony or NRF may have affected its ability to qualify as a REIT.

If, notwithstanding the opinions described above, Colony's or NRF's REIT status prior to the Mergers were successfully challenged, Colony NorthStar would face serious tax consequences that would substantially reduce its core funds from operations, which we refer to as Core FFO, and cash available for distribution, which we refer to as CAD, including cash available to pay dividends to its stockholders, because:

Colony or NRF, as applicable, would be subject to U.S. federal, state and local income tax on its net income at regular corporate rates for the years it did not qualify as a REIT (and, for such years, would not be allowed a deduction for dividends paid to stockholders in computing its taxable income) and Colony NorthStar would succeed to the liability for such taxes;

if Colony NorthStar were considered to be a "successor" of such entity, it would not be eligible to elect REIT status until the fifth taxable year following the year during which such entity was disqualified, unless it is entitled to relief under applicable statutory provisions;

Colony NorthStar, even if eligible to elect REIT status, would be subject to tax (at the highest corporate rate in effect at the date of the sale) on the built-in gain on each asset of Colony or NRF, as applicable, existing at the time of the Mergers if Colony NorthStar were to dispose of such asset for up to 10 years following the Mergers; and

Colony NorthStar would succeed to any earnings and profits accumulated by Colony or NRF, as applicable, for tax periods that such entity did not qualify as a REIT and Colony NorthStar would have to pay a special dividend and/or employ applicable deficiency dividend procedures (including interest payments to the IRS) to eliminate such earnings and profits to maintain its REIT qualification.

If there is an adjustment to Colony's or NRF's taxable income or dividends paid deductions, Colony NorthStar could elect to use the deficiency dividend procedure to maintain Colony's or NRF's, as applicable, REIT status. That deficiency dividend procedure could require Colony NorthStar to make significant distributions to its stockholders and to pay significant interest to the IRS.

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As a result of these factors, Colony's or NRF's failure to qualify as a REIT prior to the Mergers could impair Colony NorthStar's ability after the Mergers to expand its business and raise capital and could materially adversely affect the value of Colony NorthStar's stock.

Risks Related to Colony's Qualification as a REIT

You should read and consider the risk factors specific to Colony's qualification as a REIT, which will also affect Colony NorthStar, as the combined company, after the Mergers. These risks are described in Part I, Item 1A of Colony's Annual Report on Form 10-K for the fiscal year ended December 31, 2015 under the heading "Risks Related to Our Taxation as a REIT" and in other documents that are incorporated by reference into this joint proxy statement/prospectus. Refer to the section entitled "Where You Can Find More Information; Incorporation by Reference" beginning on page 420 of this joint proxy statement/prospectus.

Risks Related to NRF's Qualification as a REIT

You should read and consider the risk factors specific to NRF's qualification as a REIT, which will also affect Colony NorthStar, as the combined company, after the Mergers. These risks are described in Part I, Item 1A of NRF's Annual Report on Form 10-K for the fiscal year ended December 31, 2015 under the heading "Risks Related to Regulatory Matters and Our REIT Tax Status," and in other documents that are incorporated by reference into this joint proxy statement/prospectus. Refer to the section entitled "Where You Can Find More Information; Incorporation by Reference" beginning on page 420 of this joint proxy statement/prospectus.

Risks Related to Colony NorthStar's Qualification as a REIT

You should read and consider the risks relating to Colony NorthStar's ability to qualify as a REIT, both as a condition to the closing of the Mergers and on an ongoing basis. Refer to the section entitled "Taxation of Colony NorthStar" beginning on page 235 of this joint proxy statement/prospectus. As noted in that section, the opinion of Hogan Lovells (or other counsel reasonably satisfactory to the Companies) regarding Colony NorthStar's ability to qualify as a REIT for the taxable year ending December 31, 2017 and subsequent taxable years will only be filed with this registration statement prior to the closing of the Mergers, by post-effective amendment. Refer also to the section entitled "Taxation of Colony NorthStar Failure to Qualify" for a discussion of tax consequences were Colony NorthStar to fail to qualify as a REIT following the closing of the Mergers.

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CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

This joint proxy statement/prospectus, including information included or incorporated by reference in this joint proxy statement/prospectus, may contain certain forecasts and other forward-looking statements within the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. In some cases, you can identify forward-looking statements by the use of forward-looking terminology such as "may," "will," "should," "expects," "intends," "plans," "anticipates," "believes," "estimates," "predicts" or "potential" or the negative of these words and phrases or similar words or phrases which are predictions of or indicate future events or trends and which do not relate solely to historical matters. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and contingencies, many of which are beyond the Companies' control, and may cause actual results to differ significantly from those expressed in any forward-looking statement. Any statements regarding the benefits of the Mergers or NSAM's, Colony's or NRF's future financial condition, results of operations and business are also forward-looking statements. Without limiting the generality of the preceding sentence, certain statements contained in the sections "The Mergers Background of the Mergers," "The Mergers Certain Unaudited Prospective Financial Information of NSAM," "The Mergers Certain Unaudited Prospective Financial Information of Colony" and "The Mergers Certain Unaudited Prospective Financial Information of NRF" constitute forward-looking statements.

These forward-looking statements are subject to a number of risks, uncertainties and assumptions, most of which are difficult to predict and many of which are beyond NSAM's, Colony's and NRF's control. These include the factors described above in "Risk Factors" and under the caption "Risk Factors" in NSAM's Annual Report on Form 10-K for the year ended December 31, 2015, as amended, Colony's Annual Report on Form 10-K for the year ended December 31, 2015, as amended, and NRF's Annual Report on Form 10-K for the year ended December 31, 2015, as amended, and subsequent Quarterly Reports on Form 10-Q, each of which is incorporated herein by reference, as well as:

the failure to receive, on a timely basis or otherwise, the required approvals by NSAM, Colony and NRF stockholders, governmental or regulatory agencies and third parties;

the risk that a condition to the closing of the Mergers may not be satisfied;

NSAM's, Colony's and NRF's ability to consummate the Mergers;

operating costs and business disruption may be greater than expected;

the ability of NSAM, Colony and NRF to retain their senior executives and maintain relationships with business partners pending consummation of the Mergers;

the ability to realize substantial efficiencies and synergies as well as anticipated strategic and financial benefits, and the impact of legislative, regulatory and competitive changes; and

the occurrence of any event, change or other circumstances that could give rise to the termination of the merger agreement.

Should one or more of the risks or uncertainties described above or elsewhere in reports incorporated by reference herein occur, or should underlying assumptions prove incorrect, actual results and plans could differ materially from those expressed in any forward-looking statements. You are cautioned not to place undue reliance on these statements, which speak only as of the date of this joint

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proxy statement/prospectus or the date of any document incorporated by reference in this joint proxy statement/prospectus, as applicable.

All forward-looking statements, expressed or implied, included in this joint proxy statement/prospectus are expressly qualified in their entirety by this cautionary statement. This cautionary statement should also be considered in connection with any subsequent written or oral forward-looking statements that NSAM, Colony, NRF or persons acting on their behalf may issue.

Except as otherwise required by applicable law, NSAM, Colony and NRF disclaim any duty to update any forward-looking statements, all of which are expressly qualified by the statements in this section. Also refer to the section entitled "Where You Can Find More Information; Incorporation by Reference" beginning on page 420 of this joint proxy statement/prospectus.

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PARTIES TO THE MERGER AGREEMENT

NSAM Entities

NorthStar Asset Management Group Inc.

NSAM, a Delaware corporation, is a publicly-traded global asset management firm focused on strategically managing real estate and other investment platforms in the United States and internationally. NSAM provides asset management and other services by managing NRE, NRF and NSAM's retail companies. NSAM earns asset management and other fees pursuant to management and other contracts and through its direct and indirect investments in strategic partnerships and joint ventures. In addition, NSAM owns NorthStar Securities, LLC, a captive broker-dealer platform that raises capital in the retail market. NSAM LP is the operating partnership of NSAM and holds substantially all of NSAM's assets and liabilities. NSAM conducts its operations, directly or indirectly, through NSAM LP.

NSAM commenced operations on July 1, 2014 upon the spin-off by NRF of its asset management business into a separate publicly-traded company, which we refer to as the NSAM spin-off. The NSAM spin-off was in the form of a tax-free distribution to NRF common stockholders where each NRF common stockholder received NSAM common stock on a one-for-one basis. At the same time, NRF became externally managed by an affiliate of NSAM through a management contract with an initial term of 20 years. On October 31, 2015, NRF completed a spin-off of its European real estate business (excluding its European healthcare properties), which we refer to as the NRE spin-off, into a separate publicly traded REIT, NRE. NSAM manages NRE pursuant to a long-term management agreement, on substantially similar terms as NSAM's management agreement with NRF.

NSAM has a substantial business raising and managing capital in the retail market, accessing a variety of pools of capital and through various vehicles that include REITs, closed-end funds and other vehicles that NSAM may form in the future. We refer to the foregoing platform as the retail business. NSAM is organized to provide asset management and other services to NSAM's managed companies, or any other companies it may sponsor in the future, both in the United States and internationally. NSAM's managed companies have historically invested in the commercial real estate industry.

NSAM seeks to expand the scope of its asset management business beyond real estate into new asset classes and geographies by organically creating and managing additional investment vehicles or through acquisitions, strategic partnerships and joint ventures. To date, NSAM has acquired an approximate 84% interest in Townsend Holdings LLC for \$383.0 million, net of post-closing adjustments, a 43% interest in American Healthcare Investors LLC and a 45% interest in Island Hospitality Management Inc. Founded in 1983, Townsend Holdings LLC is the manager or advisor to \$175.3 billion of assets as of March 31, 2016. Townsend Holdings LLC's management team owns the remainder of the business and continues to direct the day-to-day operations, subject to the oversight and direction of its board of directors, which is controlled by NSAM.

NSAM common stock is traded on the NYSE under the symbol "NSAM." NSAM's principal executive office is located at 399 Park Avenue, 18th Floor, New York, New York 10022 and its phone number is (212) 547-2600.

Colony NorthStar, Inc.

Colony NorthStar, a Maryland corporation and a wholly owned subsidiary of NSAM, was formed solely for the purpose of facilitating the Mergers and related transactions contemplated by the merger agreement. Colony NorthStar has not carried on any activities or operations to date, except for

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those activities incidental to its formation and undertaken in connection with the transactions contemplated by the merger agreement. The merger agreement provides for the mergers of NSAM, New NRF Parent and Colony into Colony NorthStar, which will be the publicly traded entity for the combined company following the effective time of the Mergers.

As a subsidiary of NSAM until the consummation of the Mergers, Colony NorthStar's principal executive office is located at 399 Park Avenue, 18th Floor, New York, New York 10022 and its phone number is (212) 547-2600.

Colony Entities

Colony Capital, Inc.

Colony, a Maryland corporation, is a publicly-traded global real estate and investment management firm that has elected to be taxed as a REIT for U.S. federal income tax purposes. Through its global investment management business, which has operated under the Colony Capital brand for more than 25 years, Colony has \$18.8 billion of assets under management and \$9.3 billion of fee-earning equity under management. Colony manages capital on behalf of both its stockholders and limited partners in private investment funds under its management where Colony may earn management fees and carried interests. Colony's investment portfolio is primarily composed of: (i) real estate equity; (ii) real estate debt; and (iii) investment management of Colony-sponsored private equity funds and vehicles.

Colony was organized on June 23, 2009 as a Maryland corporation and completed its initial public offering in September 2009. Colony elected to be taxed as a REIT for U.S. federal income tax purposes commencing with its taxable year ended December 31, 2009. Colony was organized and conduct its operations to qualify as a REIT, and generally is not subject to U.S. federal income taxes on its taxable income to the extent that it annually distributes all of its taxable income to stockholders and maintains qualification as a REIT, although it is subject to U.S. federal income tax on income earned through its taxable subsidiaries. It also operates its business in a manner that will permit it to maintain its exemption from registration as an investment company under the Investment Company Act.

Until April 2, 2015, Colony was externally managed and advised by Colony Financial Manager, LLC, which we refer to as its CF Manager, a wholly owned subsidiary of Colony Capital, LLC, a privately held independent global real estate investment firm founded in 1991 by Thomas J. Barrack, Jr., its Executive Chairman. On April 2, 2015, Colony became an internally managed company by acquiring its CF Manager as part of a combination transaction.

Colony class A common stock is traded on the NYSE under the symbol "CLNY." Colony's principal executive office is located at 515 South Flower Street, 44th Floor, Los Angeles, California 90071 and its phone number is (310) 282-8820.

NRF Entities

NorthStar Realty Finance Corp.

NRF, a Maryland corporation, is a publicly-traded, diversified commercial real estate company that has elected to be taxed as a REIT for U.S. federal income tax purposes. It is managed by an affiliate of NSAM. NRF's primary business objectives are to make diversified real estate-related investments that produce attractive risk-adjusted returns, generate stable cash flow for distribution to its stockholders and build long-term franchise value. NRF's core business activities include acquiring commercial real estate properties, such as healthcare, hotels, manufactured housing communities, office

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and retail net lease and multifamily; making opportunistic investments such as indirect interests in real estate through private equity real estate funds; and originating, structuring and acquiring commercial real estate debt.

As of May 5, 2016, adjusted for sales and commitments to sell investments, NRF had \$13 billion of balance sheet investments, comprised of 85% real estate equity assets and 15% commercial real estate debt and securities assets.

Substantially all of NRF's assets, directly or indirectly, are held by NRF LP, a Delaware limited partnership and the operating partnership of NRF. NRF conducts its operations, directly or indirectly, through NRF LP.

NRF common stock is traded on the NYSE under the symbol "NRF." NRF's principal executive office is located at 399 Park Avenue, 18th Floor, New York, New York 10022 and its phone number is (212) 547-2600.

New Sirius Inc.

New NRF Parent, a Maryland corporation and a wholly owned subsidiary of NRF, was formed solely for the purpose of facilitating the Mergers and related transactions contemplated by the merger agreement. New NRF Parent has not carried on any activities or operations to date, except for those activities incidental to its formation and undertaken in connection with the transactions contemplated by the merger agreement. Pursuant to the merger agreement, upon the completion of the NRF reorganization transactions, as described in "The Merger Agreement The Mergers and Related Transactions The Reorganization Transactions The NRF Reorganization Transactions" beginning on page 277 of this joint proxy statement/prospectus, New NRF Parent will become the holding company of NRF and its subsidiaries.

As a subsidiary of NRF, New NRF Parent's principal executive office is located at 399 Park Avenue, 18th Floor, New York, New York 10022 and its phone number is (212) 547-2600.

NorthStar Realty Finance Limited Partnership

NRF LP, a Delaware limited partnership and a subsidiary of NRF, is the operating partnership of NRF. NRF LP holds, directly or indirectly, substantially all of NRF's assets and NRF conducts its operations, directly or indirectly, through NRF LP. Pursuant to the merger agreement, upon the completion of the NRF reorganization transactions, NRF LP will be merged with and into NRF.

As a subsidiary of NRF, NRF LP's principal executive office is located at 399 Park Avenue, 18th Floor, New York, New York 10022 and its phone number is (212) 547-2600.

Sirius Merger Sub-T, LLC

NRF OP Merger Sub, a Delaware limited liability company and a wholly owned subsidiary of NRF, was formed solely for the purpose of facilitating the Mergers and related transactions contemplated by the merger agreement. NRF OP Merger Sub has not carried on any activities or operations to date, except for those activities incidental to its formation and undertaken in connection with the transactions contemplated by the merger agreement. Pursuant to the merger agreement, upon the completion of the NRF reorganization transactions, NRF OP Merger Sub will be merged with and into NRF LP, which will then be merged with and into NRF.

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As a subsidiary of NRF, NRF OP Merger Sub's principal executive office is located at 399 Park Avenue, 18th Floor, New York, New York 10022 and its phone number is (212) 547-2600.

New Sirius Merger Sub, LLC

New Parent Merger Sub, a Delaware limited liability company and a wholly owned subsidiary of New NRF Parent, was formed solely for the purpose of facilitating the Mergers and related transactions contemplated by the merger agreement. New Parent Merger Sub has not carried on any activities or operations to date, except for those activities incidental to its formation and undertaken in connection with the transactions contemplated by the merger agreement. Pursuant to the merger agreement, upon the completion of the NRF reorganization transactions, New Parent Merger Sub will be merged with and into NRF, with NRF surviving the merger.

As a subsidiary of NRF, New Parent Merger Sub's principal executive office is located at 399 Park Avenue, 18th Floor, New York, New York 10022 and its phone number is (212) 547-2600.

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THE NSAM SPECIAL MEETING

Date, Time, Place and Purpose of the NSAM Special Meeting

The NSAM special meeting will be held at Morgan Stanley, located at 522 5th Avenue, Conference Room 3A, New York, New York 10036, on December 20, 2016, commencing at 10:00 a.m. (Eastern Time). The NSAM special meeting is being held in order for NSAM common stockholders to consider and vote on:

the NSAM merger proposal;

the NSAM charter proposal;

the NSAM compensation proposal; and

the NSAM adjournment proposal.

Recommendation of the NSAM Board

The NSAM special committee has unanimously: (i) determined that each of the merger agreement, the transactions contemplated by the merger agreement, including the Mergers, the Colony NorthStar charter and the other related matters and agreements described in this joint proxy statement/prospectus are advisable, fair to and in the best interests of NSAM and its stockholders; (ii) recommended that the NSAM board submit for consideration and adoption or approval by NSAM stockholders at the NSAM special meeting the Redomestication merger, the merger agreement, the Colony NorthStar charter and other related matters as described in this joint proxy statement/prospectus; and (iii) recommended that the NSAM board recommend to NSAM stockholders that they vote in favor of the adoption or approval of such matters.

The NSAM board, following the unanimous recommendation of the NSAM special committee, has: (i) determined that each of the merger agreement, the transactions contemplated by the merger agreement, including the Mergers, the Colony NorthStar charter and the other related matters and agreements described in this joint proxy statement/prospectus are advisable, fair to and in the best interests of NSAM and its stockholders; and (ii) approved, adopted and declared advisable the Redomestication merger, the merger agreement, the Colony NorthStar charter and other related matters as described in this joint proxy statement/prospectus, as well as the other agreements related to the foregoing.

Accordingly, the NSAM board, following the unanimous recommendation of the NSAM special committee, recommends that you vote "FOR" the NSAM merger proposal, "FOR" the NSAM charter proposal, "FOR" the NSAM compensation proposal and "FOR" the NSAM adjournment proposal. For a more complete description of the recommendation of the NSAM board, refer to the section entitled "The Mergers Reasons for the Mergers and Recommendation of the NSAM Board" beginning on page 136 of this joint proxy statement/prospectus.

Record Date; Who Can Vote at the NSAM Special Meeting

The NSAM board has fixed the close of business on November 2, 2016 as the record date for determination of NSAM common stockholders entitled to receive notice of, and to vote at, the NSAM special meeting and any postponements or adjournments of the NSAM special meeting. Only holders of record of NSAM common stock at the close of business on the record date are entitled to receive notice of, and to vote at, the NSAM special meeting. As of the NSAM special meeting record date,

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there were 188,944,901 shares of NSAM common stock outstanding and entitled to be voted at the NSAM special meeting, held by approximately 247 holders of record.

Each share of NSAM common stock is entitled to one vote on each of the NSAM merger proposal, the NSAM charter proposal, the NSAM compensation proposal and the NSAM adjournment proposal.

Stockholders of Record and Beneficial Owners

If your shares of NSAM common stock are registered directly in your name with NSAM's transfer agent, American Stock Transfer & Trust Company, LLC, you are considered, with respect to those shares of NSAM common stock, the "stockholder of record." This joint proxy statement/prospectus and proxy card have been sent to you directly by NSAM.

If your shares of NSAM common stock are held through a broker or other nominee, you are considered the "beneficial owner" of shares of NSAM common stock held in "street name." In that case, this joint proxy statement/prospectus has been forwarded to you by your broker or other nominee who is considered, with respect to those shares of NSAM common stock, the stockholder of record. As the beneficial owner, you have the right to direct your broker or other nominee how to vote your shares by following their instructions for voting. Brokers or other nominees who hold shares in "street name" for customers generally have the authority to vote on "routine" proposals when they have not received instructions from beneficial owners. However, brokers and other nominees are precluded from exercising their voting discretion with respect to approving non-routine matters such as the NSAM merger proposal, the NSAM charter proposal, the NSAM compensation proposal and the NSAM adjournment proposal and, as a result, absent specific instructions from the beneficial owner of such shares of NSAM common stock, brokers or other nominees are not empowered to vote those shares of NSAM common stock on non-routine matters. A broker non-vote occurs when a nominee holds shares for a beneficial owner but cannot vote on a proposal because the nominee does not have the discretionary power to do so and has not received instructions from the beneficial owner.

Quorum

The holders of a majority of the outstanding shares of NSAM common stock entitled to vote on a matter at the NSAM special meeting, present in person or represented by proxy, will constitute a quorum at the NSAM special meeting. All shares of NSAM common stock, represented in person or by proxy, including abstentions and broker non-votes, will be treated as present for purposes of determining the presence or absence of a quorum for all matters voted on at the NSAM special meeting. The NSAM adjournment proposal may be approved without a quorum being present.

Under NSAM's bylaws, in the event that a quorum is not present or represented at the NSAM special meeting, in addition to an adjournment pursuant to the NSAM adjournment proposal, the chairperson of the NSAM special meeting has the power to adjourn the meeting from time to time until a quorum is present or represented.

Attendance

Only NSAM common stockholders of record, their duly authorized proxy holders, beneficial stockholders with proof of ownership and NSAM's guests may attend the NSAM special meeting. An admission ticket and government-issued picture identification will be required to enter the NSAM special meeting. NSAM common stockholders may obtain a ticket and directions to the NSAM special meeting by writing to NorthStar Asset Management Group Inc., Attention: Corporate Secretary, at 399 Park Avenue, 18th Floor, New York, New York 10022. If you are a registered stockholder, please

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indicate that in your request. If you are the representative of a corporate or institutional stockholder, you must present valid photo identification along with proof that you are the representative of such stockholder. If your shares of NSAM common stock are held through a broker or other nominee, you must enclose with your request evidence of your ownership of shares, which you can obtain from your broker or other nominee. Please submit your ticket request and proof of ownership as promptly as possible in order to ensure you receive your ticket in time for the NSAM special meeting. Please note that cameras, recording devices and other electronic devices will not be permitted at the NSAM special meeting.

Vote Required for Approval; Effect of Failure to Vote, Broker Non-Votes and Abstention

For the NSAM merger proposal and the NSAM charter proposal, you may vote **"FOR," "AGAINST"** or **"ABSTAIN."** Approval of the NSAM merger proposal and approval of the NSAM charter proposal requires the affirmative vote of the holders of a majority of the outstanding shares of NSAM common stock entitled to vote on such proposals. Consequently, abstentions, failures to submit a proxy or to vote in person at the NSAM special meeting and broker non-votes will have the same effect as votes **"AGAINST"** the NSAM merger proposal and the NSAM charter proposal.

For the NSAM compensation proposal and the NSAM adjournment proposal, you may vote **"FOR," "AGAINST"** or **"ABSTAIN."** Approval of each of the NSAM compensation proposal and the NSAM adjournment proposal requires the affirmative vote of the holders of a majority of the shares of NSAM common stock present in person or represented by proxy at the NSAM special meeting and entitled to vote on such proposals. Abstentions will be counted as shares present in person or represented by proxy and entitled to vote, but broker non-votes will not be counted as shares present in person or represented by proxy and entitled to vote. Consequently, abstentions will have the same effect as votes **"AGAINST"** these proposals but failures to submit a proxy or attend in person the NSAM special meeting and broker non-votes will have no effect on the approval of the NSAM compensation proposal or the NSAM adjournment proposal. The NSAM adjournment proposal also may be approved without a quorum being present by the holders of NSAM common stock present or represented by proxy by majority vote.

How to Vote Your Shares

If you are a NSAM common stockholder of record, you may have your shares of NSAM common stock voted on matters presented at the NSAM special meeting in any of the following ways:

by proxy NSAM common stockholders of record have a choice of submitting a proxy to vote their shares:

- through the Internet by visiting the website indicated on the enclosed proxy card and following the prompts using the control number located on the proxy card;
- by telephone using the toll-free telephone numbers listed on the enclosed proxy card; or
- by signing, dating and returning the enclosed proxy card in the enclosed postage-paid return envelope; or

in person you may attend the NSAM special meeting and cast your vote there provided that you bring an admission ticket and government-issued picture identification. For instructions on obtaining an admission ticket, refer above to the section entitled " Attendance" beginning on page 86 of this joint proxy statement/prospectus.

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If you are a beneficial owner of NSAM common stock, you should receive instructions from your broker or other nominee that you must follow in order to have your shares of NSAM common stock voted. Those instructions will identify which of the above choices are available to you in order to have your shares voted. Please note that if you are a beneficial owner and wish to vote in person at the special meeting, you must provide a legal proxy from your broker or other nominee at the special meeting. Obtaining a legal proxy may take several days and must be obtained prior to your attending the NSAM special meeting in order to vote your shares at that meeting.

Proxies submitted by the Internet or telephone must be received by 11:59 p.m. (Eastern Time) on the business day prior to the date of the NSAM special meeting. If you choose to submit a proxy by mailing a proxy card, your proxy card should be mailed in the enclosed postage-paid return envelope, and your proxy card must be received by NSAM's Corporate Secretary by the time the NSAM special meeting begins.

If you authorize a proxy to vote your shares, regardless of the method you choose to authorize such proxy, the individuals named on the enclosed proxy card, and each of them, with full power of substitution, will vote your shares of NSAM common stock in the way that you indicate. When completing the Internet or telephone processes or the proxy card, you may specify whether your shares of NSAM common stock should be voted for or against or to abstain from voting on all, some or none of the specific items of business to come before the NSAM special meeting.

If you properly sign your proxy card but do not mark the boxes showing how your shares of NSAM common stock should be voted on a matter, the shares of NSAM common stock represented by your properly signed proxy will be voted "**FOR**" the NSAM merger proposal, "**FOR**" the NSAM charter proposal, "**FOR**" the NSAM compensation proposal and "**FOR**" the NSAM adjournment proposal.

If you have any questions or need assistance voting your shares, please contact MacKenzie Partners, Inc., NSAM's proxy solicitor, by calling toll-free (800) 322-2885.

IT IS IMPORTANT THAT YOU VOTE YOUR SHARES OF NSAM COMMON STOCK PROMPTLY. WHETHER OR NOT YOU PLAN TO ATTEND THE NSAM SPECIAL MEETING, PLEASE COMPLETE, DATE, SIGN AND RETURN, AS PROMPTLY AS POSSIBLE, THE ACCOMPANYING PROXY CARD IN THE ENCLOSED POSTAGE-PAID RETURN ENVELOPE, OR SUBMIT YOUR PROXY BY THE INTERNET OR TELEPHONE. STOCKHOLDERS WHO ATTEND THE NSAM SPECIAL MEETING MAY REVOKE THEIR PROXIES BY VOTING IN PERSON.

Revocation of Proxies or Voting Instructions

Any NSAM common stockholder has the right to revoke a proxy, whether delivered over the Internet, by telephone or by mail, at any time before it is exercised, by voting by proxy again at a later date through any of the methods available to you, by giving written notice of revocation to NSAM's Corporate Secretary, which notice, to ensure effective revocation, must be received by 11:59 p.m. (Eastern Time) on the business day prior to the date of the NSAM special meeting, or by attending the NSAM special meeting and voting in person. Your attendance at the NSAM special meeting will not by itself revoke your proxy. Written notice of revocation should be mailed to: NorthStar Asset Management Group Inc., Attention: Corporate Secretary, at 399 Park Avenue, 18th Floor, New York, New York 10022.

If you hold shares of NSAM common stock in "street name," you should contact your broker or other nominee for instructions on how to change your vote.

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Adjournment

The NSAM special meeting may adjourn to reconvene at the same or some other place and notice need not be given of any such adjourned meeting if the time, place, if any, of the adjourned meeting and the means of remote communications, if any, of the adjourned meeting are announced at the meeting at which the adjournment is taken. At the adjourned meeting, NSAM may transact any business which might have been transacted at the original meeting. If the adjournment is for more than 30 days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting will be given to each NSAM common stockholder of record entitled to vote at the meeting.

Tabulation of the Votes

NSAM will appoint an Inspector of Election for the NSAM special meeting to tabulate affirmative and negative votes and abstentions.

Solicitation of Proxies

Directors, officers and employees of NSAM may solicit proxies on behalf of NSAM in person or by telephone, facsimile or other means, for which they will not receive any additional compensation. NSAM has engaged MacKenzie Partners, Inc. to assist it in the solicitation of proxies. NSAM has agreed to pay MacKenzie Partners, Inc. an amount initially not expected to exceed \$25,000, which includes the payment of certain fees and expenses for its services to solicit proxies. In accordance with the regulations of the SEC and the NYSE, NSAM also will reimburse brokerage firms and other custodians, nominees and fiduciaries for their expenses incurred in sending proxies and proxy materials to beneficial owners of shares of NSAM common stock.

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PROPOSALS SUBMITTED TO NSAM COMMON STOCKHOLDERS

Proposal 1 The NSAM Merger Proposal

(Item 1 on the NSAM Proxy Card)

In proposal 1, NSAM common stockholders are being asked to consider and vote on the approval of the merger of NSAM with and into Colony NorthStar with Colony NorthStar surviving the merger and the adoption of the merger agreement, pursuant to which NSAM, Colony and NRF through a series of transactions will merge with and into Colony NorthStar. The Mergers cannot be completed without the approval of the NSAM merger proposal by the affirmative vote of the holders of a majority of the outstanding shares of NSAM common stock entitled to vote on such proposal. If you abstain or fail to vote your shares, including shares held by a broker or other nominee, in favor of the NSAM merger proposal, this will have the same effect as a vote "AGAINST" the NSAM merger proposal. The merger agreement is attached as Annex A to this joint proxy statement/prospectus.

The NSAM board, following the unanimous recommendation of the NSAM special committee, recommends that NSAM common stockholders vote "FOR" the NSAM merger proposal.

Proposal 2 The NSAM Charter Proposal

(Item 2 on the NSAM Proxy Card)

In proposal 2, NSAM common stockholders are being asked to consider and vote on the approval of a provision in the Colony NorthStar charter containing certain Colony NorthStar stock ownership and transfer restrictions, including a prohibition on any person actually or constructively owning more than 9.8% in value of the aggregate of the outstanding shares of Colony NorthStar's capital stock, or 9.8% (in value or in number of shares, whichever is more restrictive) of the aggregate of the outstanding shares of Colony NorthStar class A common stock, class B common stock and performance common stock, unless the Colony NorthStar board exempts the person from such ownership limitations.

The Colony NorthStar charter, a form of which is attached as Annex B to this joint proxy statement/prospectus, will govern Colony NorthStar following completion of the Mergers.

Approval of the NSAM charter proposal requires the affirmative vote of the holders of a majority of the outstanding shares of NSAM common stock entitled to vote on such proposal. If you abstain or fail to vote your shares, including shares held by a broker or other nominee, in favor of the NSAM charter proposal, this will have the same effect as a vote "AGAINST" the NSAM charter proposal.

The NSAM board, following the unanimous recommendation of the NSAM special committee, recommends that NSAM common stockholders vote "FOR" the NSAM charter proposal.

Proposal 3 The NSAM Compensation Proposal

(Item 3 on the NSAM Proxy Card)

Pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and Section 14A of the Exchange Act, NSAM is providing its stockholders with the opportunity to cast an advisory (non-binding) vote on the compensation that may be paid or become payable to the NSAM named executive officers, as determined in accordance with Item 402(t) of Regulation S-K, that is

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based upon or otherwise relates to the Mergers and arises from any form of arrangement or understanding, whether written or unwritten, between NSAM and the NSAM named executive officers. The NSAM named executive officers are: David T. Hamamoto, Executive Chairman; Albert Tylis, Chief Executive Officer and President; Daniel R. Gilbert, Chief Investment and Operating Officer of NorthStar Asset Management Group, Ltd; Debra A. Hess, Chief Financial Officer; and Ronald J. Lieberman, Executive Vice President, General Counsel and Secretary.

NSAM therefore is asking its stockholders to vote on the adoption of the following resolution:

"RESOLVED, that the compensation that may be paid or become payable to NorthStar Asset Management Group Inc.'s named executive officers in connection with the Mergers, as disclosed in the table entitled "Golden Parachute Compensation" pursuant to Item 402(t) of Regulation S-K, including the associated narrative discussion and the agreements or understandings pursuant to which such compensation may be paid or become payable, as set forth in the section entitled "The Mergers Interests of NRF's Directors and Executive Officers in the Mergers Information for Advisory Vote on Merger-Related Compensation for the NSAM and NRF Named Executive Officers" is hereby APPROVED."

Approval of the NSAM compensation proposal requires the affirmative vote of the holders of a majority of the shares of NSAM common stock present in person or represented by proxy at the NSAM special meeting and entitled to vote on such proposal. Abstentions will have the same effect as votes "AGAINST" the NSAM compensation proposal. Failures to vote and broker non-votes will have no effect on the approval of the NSAM compensation proposal.

The NSAM board, following the unanimous recommendation of the NSAM special committee, recommends that NSAM common stockholders vote "FOR" the NSAM compensation proposal.

Proposal 4 The NSAM Adjournment Proposal

(Item 4 on the NSAM Proxy Card)

The NSAM special meeting may be adjourned to another time or place, if necessary or appropriate, as determined by NSAM, to permit further solicitation of proxies, if necessary or appropriate, to obtain additional votes in favor of the NSAM merger proposal, the NSAM charter proposal and the NSAM compensation proposal.

If, at the NSAM special meeting, the number of shares of NSAM common stock present in person or represented by proxy and voting in favor of the NSAM merger proposal, the NSAM charter proposal and/or the NSAM compensation proposal is insufficient to approve such proposals, NSAM intends to move to adjourn the NSAM special meeting in order to enable the NSAM board to solicit additional proxies for approval of such proposals.

NSAM is asking NSAM common stockholders to approve the adjournment of the NSAM special meeting, if necessary or appropriate, as determined by NSAM, to solicit additional proxies in favor of the NSAM merger proposal, the NSAM charter proposal and the NSAM compensation proposal.

Approval of the proposal to adjourn the special meeting, if necessary or appropriate as determined by NSAM, to solicit additional proxies requires the affirmative vote of the holders of a majority of the shares of NSAM common stock present in person or represented by proxy at the NSAM special meeting and entitled to vote on such proposal.

The NSAM board, following the unanimous recommendation of the NSAM special committee, recommends that NSAM common stockholders vote "FOR" the NSAM adjournment proposal.

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THE COLONY SPECIAL MEETING

Date, Time, Place and Purpose of Colony's Special Meeting

The Colony special meeting will be held at Morgan Stanley, located at 522 5th Avenue, Conference Room 3A, New York, New York 10036, on December 20, 2016, commencing at 11:00 a.m. (Eastern Time). The Colony special meeting is being held in order for Colony common stockholders to consider and vote on:

the Colony merger proposal;

the Colony charter proposal;

the Colony compensation proposal; and

the Colony adjournment proposal.

Recommendation of the Colony Board

The Colony board, has unanimously (i) determined that the Colony merger is advisable and in the best interests of Colony and recommended that its stockholders approve the Colony merger and related transactions contemplated by the merger agreement to the extent applicable to Colony; and (ii) approved Colony's entry into the merger agreement, the transactions contemplated by the merger agreement and other related agreements as described in this joint proxy statement/prospectus. **Accordingly, the Colony board recommends that you vote "FOR" the Colony merger proposal, "FOR" the Colony charter proposal, "FOR" the Colony compensation proposal and "FOR" the Colony adjournment proposal.** For a more complete description of the recommendation of the Colony board, refer to the section entitled "The Mergers Reasons for the Mergers and Recommendation of the Colony Board" beginning on page 142 of this joint proxy statement/prospectus.

Record Date; Who Can Vote at Colony's Special Meeting

The Colony board has fixed the close of business on November 2, 2016 as the record date for determination of Colony common stockholders entitled to receive notice of, and to vote at, the Colony special meeting and any postponements or adjournments of the Colony special meeting. Only holders of record of Colony common stock at the close of business on the record date are entitled to receive notice of, and to vote at, the Colony special meeting. Holders of Colony class A common stock and Colony class B common stock vote together on all proposals for consideration at the Colony special meeting. As of the Colony special meeting record date, there were 113,384,407 shares of Colony class A common stock outstanding and entitled to vote at the Colony special meeting, held by approximately 89 holders of record and 527,131 shares of Colony class B common stock outstanding and entitled to vote at the Colony special meeting, held by one holder of record.

Each holder of Colony class A common stock is entitled to one vote per share on each of the Colony merger proposal, the Colony charter proposal, the Colony compensation proposal and the Colony adjournment proposal. Thomas J. Barrack, Jr. and/or his affiliates, as the sole holders of Colony class B common stock, are entitled to 36.5 votes per share of Colony class B common stock on each of the Colony merger proposal, the Colony charter proposal, the Colony compensation proposal and the Colony adjournment proposal.

Stockholders of Record and Beneficial Owners

If your shares of Colony common stock are registered directly in your name with Colony's transfer agent, American Stock Transfer & Trust Company, LLC, you are considered, with respect to

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those shares of Colony common stock, the "stockholder of record." This joint proxy statement/prospectus and proxy card have been sent to you directly by Colony.

If your shares of Colony common stock are held through a broker or other nominee, you are considered the "beneficial owner" of shares of Colony common stock held in "street name." In that case, this joint proxy statement/prospectus has been forwarded to you by your broker or other nominee who is considered, with respect to those shares of Colony common stock, the stockholder of record. As the beneficial owner, you have the right to direct your broker or other nominee how to vote your shares by following their instructions for voting. Brokers or other nominees who hold shares in "street name" for customers generally have the authority to vote on "routine" proposals when they have not received instructions from beneficial owners. However, brokers and other nominees are precluded from exercising their voting discretion with respect to approving non-routine matters such as the Colony merger proposal, the Colony charter proposal, the Colony compensation proposal and the Colony adjournment proposal and, as a result, absent specific instructions from the beneficial owner of such shares of Colony common stock, brokers or other nominees are not empowered to vote those shares of Colony common stock on non-routine matters. A broker non-vote occurs when a nominee holds shares for a beneficial owner but cannot vote on a proposal because the nominee does not have the discretionary power to do so and has not received instructions from the beneficial owner.

Quorum

The presence in person or by proxy of stockholders entitled to cast a majority of all votes entitled to be cast at the Colony special meeting will constitute a quorum at the Colony special meeting. All shares of Colony common stock, represented in person or by proxy, including abstentions and broker non-votes, will be treated as present for purposes of determining the presence or absence of a quorum for all matters voted on at the Colony special meeting. The Colony adjournment proposal may be approved without a quorum being present.

If a quorum is not present, the Colony special meeting may be adjourned by the stockholders entitled to vote at such meeting, present in person or by proxy, from time to time to a date not more than 120 days after the original record date without a new record date and without notice other than announcement at the meeting. At such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the meeting as originally notified.

Attendance

Only Colony common stockholders of record, their duly authorized proxy holders, beneficial stockholders with proof of ownership and Colony's guests may attend the Colony special meeting. An admission ticket and government-issued picture identification will be required to enter the Colony special meeting. Colony common stockholders may obtain a ticket and directions to the Colony special meeting by writing to Ronald M. Sanders, Chief Legal Officer and Secretary, Colony Capital, Inc., 515 S. Flower Street, 44th Floor, Los Angeles, California 90071. If you are a registered stockholder, please indicate that in your request. If you are the representative of a corporate or institutional stockholder, you must present valid photo identification along with proof that you are the representative of such stockholder. If your shares of Colony common stock are held through a broker or other nominee, you must enclose with your request evidence of your ownership of shares, which you can obtain from your broker or other nominee. Please submit your ticket request and proof of ownership as promptly as possible in order to ensure you receive your ticket in time for the Colony special meeting. Please note that cameras, recording devices and other electronic devices will not be permitted at the Colony special meeting.

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Vote Required for Approval; Effect of Failure to Vote, Broker Non-Votes and Abstention

For the Colony merger proposal and Colony charter proposal, you may vote "**FOR**," "**AGAINST**" or "**ABSTAIN**." Approval of the Colony merger proposal and the Colony charter proposal requires the affirmative vote of the holders of a majority of the votes entitled to be cast by the holders of the outstanding shares of Colony common stock, voting together as a single class. Consequently, abstentions, failures to submit a proxy or to vote in person at the Colony special meeting and broker non-votes will have the same effect as votes "**AGAINST**" the Colony merger proposal and the Colony charter proposal.

For the Colony compensation proposal and the Colony adjournment proposal, you may vote "**FOR**," "**AGAINST**" or "**ABSTAIN**." Approval of each of the Colony compensation proposal and the Colony adjournment proposal requires the affirmative vote of the holders of a majority of the votes cast at the Colony special meeting on such proposals. If you attend the Colony special meeting and abstain from voting on those proposals, or if you have given a proxy and abstained on those proposals, the shares of Colony common stock held by you or your broker or other nominee will not be counted in respect of, and will not have an effect on, the Colony compensation proposal or the Colony adjournment proposal. If you fail to submit a proxy or attend in person the Colony special meeting, or if you are a beneficial owner and fail to instruct your broker or other nominee how to vote on those proposals, the shares of Colony common stock held by you or your broker or other nominee will not be counted in respect of, and will not have an effect on, the Colony compensation proposal or the Colony adjournment proposal.

How to Vote Your Shares

If you are a Colony common stockholder of record, you may have your shares of Colony common stock voted on matters presented at the Colony special meeting in any of the following ways:

in person you may attend the Colony special meeting and cast your vote there, provided that you bring an admission ticket and government-issued picture identification. For instructions on obtaining an admission ticket, refer above to the section entitled " Attendance" beginning on page 93 of this joint proxy statement/prospectus; or

by mail you may submit a proxy to vote your shares by completing and signing your proxy card and returning it in the enclosed postage-paid return envelope.

If you are a beneficial owner of Colony common stock, you should receive instructions from your broker or other nominee that you must follow in order to have your shares of Colony common stock voted. Those instructions will identify which procedures must be followed in order to have your shares voted. Please note that if you are a beneficial owner and wish to vote in person at the special meeting, you will need to bring a copy of a recent bank or brokerage statement evidencing your ownership of Colony common stock.

If you choose to submit a proxy by mailing a proxy card, your proxy card should be mailed in the enclosed postage-paid return envelope, and your proxy card must be received by Ronald M. Sanders, Colony's Chief Legal Officer and Secretary, by the time the Colony special meeting begins.

If you authorize a proxy to vote your shares, the individuals named on the enclosed proxy card, and each of them, with full power of substitution, will vote your shares of Colony common stock in the way that you indicate. When completing the proxy card, you may specify whether your shares of Colony common stock should be voted for or against or to abstain from voting on all, some or none of the specific items of business to come before the Colony special meeting.

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If you properly sign your proxy card but do not mark the boxes showing how your shares of Colony common stock should be voted on a matter, the shares of Colony common stock represented by your properly signed proxy will be voted **"FOR"** the Colony merger proposal, **"FOR"** the Colony charter proposal, **"FOR"** the Colony compensation proposal and **"FOR"** the Colony adjournment proposal.

If you have any questions or need assistance voting your shares, please contact D.F. King & Co., Inc., our proxy solicitor, by calling toll-free at (866) 751-6311.

IT IS IMPORTANT THAT YOU VOTE YOUR SHARES OF COLONY COMMON STOCK PROMPTLY. WHETHER OR NOT YOU PLAN TO ATTEND THE COLONY SPECIAL MEETING, PLEASE COMPLETE, DATE, SIGN AND RETURN, AS PROMPTLY AS POSSIBLE, THE ACCOMPANYING PROXY CARD IN THE ENCLOSED POSTAGE-PAID RETURN ENVELOPE, OR SUBMIT YOUR PROXY BY THE INTERNET OR TELEPHONE. STOCKHOLDERS WHO ATTEND THE COLONY SPECIAL MEETING MAY REVOKE THEIR PROXIES BY VOTING IN PERSON.

Revocation of Proxies or Voting Instructions

Any Colony common stockholder has the right to revoke a proxy at any time before it is exercised, by voting by proxy again at a later date, by giving written notice of revocation to Ronald M. Sanders, Colony's Chief Legal Officer and Secretary, which notice must be received by 11:59 p.m. (Eastern Time) on the business day prior to the date of the Colony special meeting, or by attending the Colony special meeting and voting in person. Your attendance at the Colony special meeting will not by itself revoke your proxy. Written notice of revocation or later dated proxies should be mailed to: Ronald M. Sanders, Chief Legal Officer and Secretary, Colony Capital, Inc., 515 S. Flower Street, 44th Floor, Los Angeles, California 90071.

If you hold shares of Colony common stock in "street name," you should contact your broker or other nominee for instructions on how to change your vote.

Adjournment

If a quorum is not present, the Colony special meeting may be adjourned by the stockholders entitled to vote at such meeting, present in person or by proxy, from time to time to a date not more than 120 days after the original record date without a new record date and without notice other than announcement at the meeting. At such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the meeting as originally notified.

Tabulation of the Votes

Colony will appoint an Inspector of Election for the Colony special meeting to tabulate affirmative and negative votes and abstentions.

Solicitation of Proxies

Directors, officers and employees of Colony may solicit proxies on behalf of Colony in person or by telephone, facsimile or other means, for which they will not receive any additional compensation. Colony has engaged D.F. King & Co., Inc. to assist it in the solicitation of proxies. Colony has agreed to pay D.F. King & Co., Inc. an amount initially not expected to exceed \$20,000, which includes the payment of certain fees and expenses for its services to solicit proxies. In accordance with the regulations of the SEC and the NYSE, Colony also will reimburse brokerage firms and other custodians, nominees and fiduciaries for their expenses incurred in sending proxies and proxy materials to beneficial owners of shares of Colony common stock.

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PROPOSALS SUBMITTED TO COLONY COMMON STOCKHOLDERS

Proposal 1 The Colony Merger Proposal

(Item 1 on the Colony Proxy Card)

In proposal 1, Colony common stockholders are being asked to consider and vote on the approval of the merger of Colony with and into Colony NorthStar with Colony NorthStar surviving the merger and the adoption of the merger agreement, pursuant to which NSAM, Colony and NRF through a series of transactions will merge with and into Colony NorthStar. The Mergers cannot be completed without the approval of the Colony merger proposal by the affirmative vote of the holders of a majority of the votes entitled to be cast by the holders of the outstanding shares of Colony class A and class B common stock, voting together as a single class. If you abstain or fail to vote your shares, including shares held by a broker or other nominee, in favor of the Colony merger proposal, this will have the same effect as a vote "AGAINST" the Colony merger proposal. The merger agreement is attached as Annex A to this joint proxy statement/prospectus.

The Colony board unanimously recommends that Colony common stockholders vote "FOR" the Colony merger proposal.

Proposal 2 The Colony Charter Proposal

(Item 2 on the Colony Proxy Card)

In proposal 2, Colony common stockholders are being asked to consider and vote on the approval of a provision in the Colony NorthStar charter containing certain Colony NorthStar stock ownership and transfer restrictions, including a prohibition on any person actually or constructively owning more than 9.8% in value of the aggregate of the outstanding shares of Colony NorthStar's capital stock, or 9.8% (in value or in number of shares, whichever is more restrictive) of the aggregate of the outstanding shares of Colony NorthStar class A common stock, class B common stock and performance common stock, unless the Colony NorthStar board exempts the person from such ownership limitations.

The Colony NorthStar charter, a form of which is attached as Annex B to this joint proxy statement/prospectus, will govern Colony NorthStar following completion of the Mergers.

Approval of the Colony charter proposal requires the affirmative vote of the holders of a majority of the votes entitled to be cast by the holders of the outstanding shares of Colony class A and class B common stock, voting together as a single class. If you abstain or fail to vote your shares, including shares held by a broker or other nominee, in favor of the Colony charter proposal, this will have the same effect as a vote "AGAINST" the Colony charter proposal.

The Colony board unanimously recommends that Colony common stockholders vote "FOR" the Colony charter proposal.

Proposal 3 The Colony Compensation Proposal

(Item 3 on the Colony Proxy Card)

Pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and Section 14A of the Exchange Act, Colony is providing its stockholders with the opportunity to cast an advisory (non-binding) vote on the compensation that may be paid or become payable to the Colony

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named executive officers as determined in accordance with Item 402(t) of Regulation S-K, that is based upon or otherwise relates to the Mergers and arises from any form of arrangement or understanding, whether written or unwritten, between Colony and the Colony named executive officers. The Colony named executive officers are: Thomas J. Barrack, Jr., Executive Chairman; Richard B. Saltzman, Chief Executive Officer and President; Darren J. Tangen, Chief Financial Officer and Treasurer; Kevin P. Traenkle, Chief Investment Officer; and Mark M. Hedstrom, Chief Operating Officer.

Colony therefore is asking its stockholders to vote on the adoption of the following resolution:

"RESOLVED, that the compensation that may be paid or become payable to Colony Capital, Inc.'s named executive officers in connection with the Mergers, as disclosed in the table entitled "Golden Parachute Compensation" pursuant to Item 402(t) of Regulation S-K, including the associated narrative discussion and the agreements or understandings pursuant to which such compensation may be paid or become payable, as set forth in the section entitled "The Mergers Interests of Colony's Directors and Executive Officers in the Mergers Information for Advisory Vote on Merger-Related Compensation for the Colony Named Executive Officers "is hereby APPROVED."

Approval of the Colony compensation proposal requires the affirmative vote of the holders of a majority of the votes cast on such proposal at the Colony special meeting. Abstentions, failures to vote and broker non-votes will have no effect on the approval of the Colony compensation proposal if a quorum is present.

The Colony board unanimously recommends that Colony common stockholders vote "FOR" the Colony compensation proposal.

Proposal 4 The Colony Adjournment Proposal

(Item 4 on the Colony Proxy Card)

The Colony special meeting may be adjourned to another time or place, if necessary or appropriate, as determined by Colony, to permit further solicitation of proxies, if necessary or appropriate, as determined by Colony, to obtain additional votes in favor of the Colony merger proposal, the Colony charter proposal and the Colony compensation proposal.

If, at the Colony special meeting, the number of shares of Colony common stock present in person or represented by proxy and voting in favor of the Colony merger proposal, the Colony charter proposal and/or the Colony compensation proposal is insufficient to approve such proposals, Colony intends to move to adjourn the Colony special meeting in order to enable the Colony board to solicit additional proxies for approval of such proposals.

Colony is asking Colony common stockholders to approve the adjournment of the Colony special meeting, if necessary or appropriate, as determined by Colony, to solicit additional proxies in favor of the Colony merger proposal, the Colony charter proposal and the Colony compensation proposal.

Approval of the proposal to adjourn the special meeting, if necessary or appropriate, as determined by Colony, to solicit additional proxies requires the affirmative vote of the holders of a majority of the votes cast at the Colony special meeting.

The Colony board unanimously recommends that Colony common stockholders vote "FOR" the Colony adjournment proposal.

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THE NRF SPECIAL MEETING

Date, Time, Place and Purpose of the NRF Special Meeting

The NRF special meeting will be held at Morgan Stanley, located at 522 5th Avenue, Conference Room 3A, New York, New York 10036, on December 20, 2016, commencing at 9:00 a.m. (Eastern Time). The NRF special meeting is being held for NRF common stockholders to consider and vote on:

the NRF merger proposal;

the NRF charter proposal;

the NRF compensation proposal; and

the NRF adjournment proposal.

Recommendation of the NRF Board

The NRF special committee has unanimously: (i) determined that each of the merger agreement, the Mergers and related transactions contemplated by the merger agreement are advisable and in the best interests of NRF; (ii) recommended that the NRF board approve NRF's entry into the merger agreement, the transactions contemplated by the merger agreement and other related agreements as described in this joint proxy statement/prospectus; and (iii) recommended that the NRF board direct that the New NRF Holdco merger and related transactions contemplated by the merger agreement be submitted for consideration at a meeting of the NRF common stockholders, and that the NRF board recommend that the holders of NRF common stock vote to approve the same.

The NRF board, following the unanimous recommendation of the NRF special committee, has: (i) determined that each of the merger agreement, the Mergers and related transactions contemplated by the merger agreement are advisable and in the best interests of NRF; (ii) approved, subject to any stockholder approval required by law, NRF's entry into the merger agreement, the transactions contemplated by the merger agreement and other related agreements as described in this joint proxy statement/prospectus and authorized NRF to execute and deliver the merger agreement and the other related agreements described in this joint proxy statement/prospectus; and (iii) directed that the New NRF Holdco merger and related transactions contemplated by the merger agreement be submitted for consideration at a meeting of the NRF common stockholders, with the recommendation that holders of NRF common stock vote to approve the same.

Accordingly, the NRF board, following the unanimous recommendation of the NRF special committee, recommends that you vote "FOR" the NRF merger proposal, "FOR" the NRF charter proposal, "FOR" the NRF compensation proposal and "FOR" the NRF adjournment proposal. For a more complete description of the recommendation of the NRF board, refer to the section entitled "The Mergers Reasons for the Mergers and Recommendation of the NRF Board" beginning on page 147 of this joint proxy statement/prospectus.

Record Date; Who Can Vote at the NRF Special Meeting

The NRF board has fixed the close of business on November 2, 2016 as the record date for determination of NRF common stockholders entitled to receive notice of, and to vote at, the NRF special meeting and any postponements or adjournments of the NRF special meeting. Only holders of record of NRF common stock at the close of business on the record date are entitled to receive notice

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of, and to vote at, the NRF special meeting. As of the NRF special meeting record date, there were 180,752,147 shares of NRF common stock outstanding and entitled to be voted at the NRF special meeting, held by approximately 3,511 holders of record.

Each share of NRF common stock is entitled to one vote on each of the NRF merger proposal, the NRF charter proposal, the NRF compensation proposal and the NRF adjournment proposal.

Stockholders of Record and Beneficial Owners

If your shares of NRF common stock are registered directly in your name with NRF's transfer agent, American Stock Transfer & Trust Company, LLC, you are considered, with respect to those shares of NRF common stock, the "stockholder of record." This joint proxy statement/prospectus and proxy card have been sent directly to you by NRF.

If your shares of NRF common stock are held through a broker or other nominee, you are considered the "beneficial owner" of shares of NRF common stock held in "street name." In that case, this joint proxy statement/prospectus has been forwarded to you by your broker or other nominee who is considered, with respect to those shares of NRF common stock, the stockholder of record. As the beneficial owner, you have the right to direct your broker or other nominee how to vote your shares by following their instructions for voting. Brokers or other nominees who hold shares in "street name" for customers generally have the authority to vote on "routine" proposals when they have not received instructions from beneficial owners. However, brokers and other nominees are precluded from exercising their voting discretion with respect to approving non-routine matters such as the NRF merger proposal, the NRF charter proposal, the NRF compensation proposal and the NRF adjournment proposal and, as a result, absent specific instructions from the beneficial owner of such shares of NRF common stock, brokers or other nominees are not empowered to vote those shares of NRF common stock on non-routine matters. A broker non-vote occurs when a nominee holds shares for a beneficial owner but cannot vote on a proposal because the nominee does not have the discretionary power to do so and has not received instructions from the beneficial owner.

Quorum

The presence in person or by proxy of stockholders entitled to cast a majority of all the votes entitled to be cast at the NRF special meeting will constitute a quorum at the NRF special meeting. All shares of NRF common stock, represented in person or by proxy, including abstentions and broker non-votes, will be treated as present for purposes of determining the presence or absence of a quorum for all matters voted on at the NRF special meeting.

Under NRF's bylaws, in the event that a quorum is not present or represented at the NRF special meeting, the chairperson of the NRF special meeting has the power to adjourn the meeting from time to time until a quorum is present or represented to a date not more than 120 days after the original record date without notice other than announcement at the meeting.

Attendance

Only NRF common stockholders of record, their duly authorized proxy holders, beneficial stockholders with proof of ownership and NRF's guests may attend the NRF special meeting. An admission ticket and government-issued picture identification will be required to enter the NRF special meeting. NRF common stockholders may obtain a ticket and directions to the NRF special meeting by writing to NorthStar Realty Finance Corp., Attention: Corporate Secretary, at 399 Park Avenue, 18th Floor, New York, New York 10022. If you are a registered stockholder, please indicate that in

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your request. If you are the representative of a corporate or institutional stockholder, you must present valid photo identification along with proof that you are the representative of such stockholder. If your shares of NRF common stock are held through a broker or other nominee, you must enclose with your request evidence of your ownership of shares, which you can obtain from your broker or other nominee. Please submit your ticket request and proof of ownership as promptly as possible in order to ensure you receive your ticket in time for the NRF special meeting. Please note that cameras, recording devices and other electronic devices will not be permitted at the NRF special meeting.

Vote Required for Approval; Effect of Failure to Vote, Broker Non-Votes and Abstention

Approval of the NRF merger proposal and the NRF charter proposal requires the affirmative vote of the holders of a majority of the outstanding shares of NRF common stock entitled to vote on such proposals. For the NRF merger proposal and the NRF charter proposal, you may vote "**FOR**," "**AGAINST**" or "**ABSTAIN**." Abstentions and broker non-votes will not be counted as votes cast in favor of the NRF merger proposal and the NRF charter proposal, but will count for the purpose of determining whether a quorum is present. A failure to submit a proxy or to vote in person at the NRF special meeting, a broker non-vote or an abstention will have the same effect as a vote "**AGAINST**" the NRF merger proposal and the NRF charter proposal.

Approval of the NRF compensation proposal and approval of the NRF adjournment proposal requires the affirmative vote of a majority of the votes cast on such proposal. For the NRF compensation proposal and the NRF adjournment proposal, you may vote "**FOR**," "**AGAINST**" or "**ABSTAIN**." If you attend the NRF special meeting and abstain from voting on those proposals, or if you have given a proxy and abstained on those proposals, the shares of NRF common stock held by you or your broker or other nominee will not be counted in respect of, and will not have an effect on, the NRF compensation proposal or the NRF adjournment proposal. If you fail to submit a proxy or attend in person the NRF special meeting, or if you are a beneficial owner and fail to instruct your broker or other nominee how to vote on those proposals, the shares of NRF common stock held by you or your broker or other nominee will not be counted in respect of, and will not have an effect on, the NRF compensation proposal or the NRF adjournment proposal.

How to Vote Your Shares

If you are an NRF common stockholder of record, you may have your shares of NRF common stock voted on matters presented at the NRF special meeting in any of the following ways:

by proxy NRF common stockholders of record have a choice of submitting a proxy to vote their shares:

- o through the Internet by visiting the website indicated on the enclosed proxy card and following the prompts using the control number located on the proxy card;
- o by telephone using the toll-free telephone numbers listed on the enclosed proxy card; or
- o by signing, dating and returning the accompanying proxy card in the enclosed postage-paid return envelope; or

in person you may attend the NRF special meeting and cast your vote there provided that you bring an admission ticket and government-issued picture identification. For instructions on obtaining an admission ticket, refer above to the section entitled " Attendance" beginning on page 99 of this joint proxy statement/prospectus.

If you are a beneficial owner of NRF common stock, you should receive instructions from your broker or other nominee that you must follow in order to have your shares of NRF common stock

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voted. Those instructions will identify which of the above choices are available to you in order to have your shares voted. Please note that if you are a beneficial owner and wish to vote in person at the special meeting, you must provide a legal proxy from your broker or other nominee at the special meeting. Obtaining a legal proxy may take several days and must be obtained prior to your attending the NRF special meeting in order to vote your shares at that meeting.

Proxies submitted by the Internet or telephone must be received by 11:59 p.m. (Eastern Time) on the business day prior to the date of the NRF special meeting. If you choose to submit a proxy by mailing a proxy card, your proxy card should be mailed in the enclosed postage-paid return envelope, and your proxy card must be received by NRF's Corporate Secretary by the time the NRF special meeting begins.

If you authorize a proxy to vote your shares, regardless of the method you choose to authorize such proxy, the individuals named on the enclosed proxy card, and each of them, with full power of substitution, will vote your shares of NRF common stock in the way that you indicate. When completing the Internet or telephone processes or the proxy card, you may specify whether your shares of NRF common stock should be voted for or against or to abstain from voting on all, some or none of the specific items of business to come before the NRF special meeting.

If you properly sign your proxy card but do not mark the boxes showing how your shares of NRF common stock should be voted on a matter, the shares of NRF common stock represented by your properly signed proxy will be voted "**FOR**" the NRF merger proposal, "**FOR**" the NRF charter proposal, "**FOR**" the NRF compensation proposal and "**FOR**" the NRF adjournment proposal.

If you have any questions or need assistance voting your shares, please contact Saratoga Proxy Consulting LLC, NRF's proxy solicitor, by calling toll-free (888) 368-0379.

IT IS IMPORTANT THAT YOU VOTE YOUR SHARES OF NRF COMMON STOCK PROMPTLY. WHETHER OR NOT YOU PLAN TO ATTEND THE NRF SPECIAL MEETING, PLEASE COMPLETE, DATE, SIGN AND RETURN, AS PROMPTLY AS POSSIBLE, THE ACCOMPANYING PROXY CARD IN THE ENCLOSED POSTAGE-PAID RETURN ENVELOPE, OR SUBMIT YOUR PROXY BY THE INTERNET OR TELEPHONE. STOCKHOLDERS WHO ATTEND THE NRF SPECIAL MEETING MAY REVOKE THEIR PROXIES BY VOTING IN PERSON.

Revocation of Proxies or Voting Instructions

Any NRF common stockholders has the right to revoke a proxy, whether delivered over the Internet, by telephone or by mail, at any time before it is exercised, by voting by proxy again at a later date through any of the methods available to you, by giving written notice of revocation to NRF's Corporate Secretary, which notice must be received by 11:59 p.m. (Eastern Time) on the business day prior to the date of the NSAM special meeting, or by attending the NRF special meeting and voting in person. Your attendance at the NRF special meeting will not by itself revoke your proxy. Written notice of revocation should be mailed to: NorthStar Realty Finance Corp., Attention: Corporate Secretary, at 399 Park Avenue, 18th Floor, New York, New York 10022.

If you hold shares of NRF common stock in "street name," you should contact your broker or other nominee for instructions on how to change your vote.

Adjournment

The NRF special meeting may adjourn to reconvene at the same or some other place and notice need not be given of any such adjourned meeting if the time, place, if any, of the adjourned

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meeting, and the means of remote communications, if any, of the adjourned meeting are announced at the meeting at which the adjournment is taken. At the adjourned meeting, NRF may transact any business which might have been transacted at the original meeting. If the adjournment is for more than 120 days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting will be given to each NRF common stockholder of record entitled to vote at the meeting.

Tabulation of the Votes

NRF will appoint an Inspector of Election for the NRF special meeting to tabulate affirmative and negative votes and abstentions.

Solicitation of Proxies

Directors, officers and employees of NRF may solicit proxies on behalf of NRF in person or by telephone, facsimile or other means, for which they will not receive any additional compensation. NRF has engaged Saratoga Proxy Consulting LLC to assist it in the solicitation of proxies. NRF has agreed to pay Saratoga Proxy Consulting LLC an amount initially not expected to exceed \$25,000, which includes the payment of certain fees and expenses for its services to solicit proxies. In accordance with the regulations of the SEC and the NYSE, NRF also will reimburse brokerage firms and other custodians, nominees and fiduciaries for their expenses incurred in sending proxies and proxy materials to beneficial owners of shares of NRF common stock.

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PROPOSALS SUBMITTED TO NRF COMMON STOCKHOLDERS

Proposal 1 The NRF Merger Proposal

(Item 1 on the NRF Proxy Card)

In proposal 1, NRF common stockholders are being asked to consider and vote on the approval of the New NRF Holdco merger the merger of New Parent Merger Sub with and into NRF, with NRF surviving the merger, which merger will result in NRF becoming a wholly owned subsidiary of New NRF Parent. The Mergers and related transactions contemplated by the merger agreement cannot be completed without the approval of the NRF merger proposal by the affirmative vote of the holders of a majority of the outstanding shares of NRF common stock entitled to vote on the NRF merger proposal. If you abstain or fail to vote your shares, including shares held by a broker or other nominee, in favor of the NRF merger proposal, this will have the same effect as a vote "AGAINST" the NRF merger proposal.

The NRF board, following the unanimous recommendation of the NRF special committee, recommends that NRF common stockholders vote "FOR" the NRF merger proposal.

Proposal 2 The NRF Charter Proposal

(Item 2 on the NRF Proxy Card)

In proposal 2, NRF common stockholders are being asked to consider and vote on the approval of a provision in the Colony NorthStar charter containing certain Colony NorthStar stock ownership and transfer restrictions, including a prohibition on any person actually or constructively owning more than 9.8% in value of the aggregate of the outstanding shares of Colony NorthStar's capital stock, or 9.8% (in value or in number of shares, whichever is more restrictive) of the aggregate of the outstanding shares of Colony NorthStar class A common stock, class B common stock and performance common stock, unless the Colony NorthStar board exempts the person from such ownership limitations.

The Colony NorthStar charter, a form of which is attached as Annex B to this joint proxy statement/prospectus, will govern Colony NorthStar following completion of the Mergers.

Approval of the NRF charter proposal requires the affirmative vote of the holders of a majority of the outstanding shares of NRF common stock entitled to vote on the NRF charter proposal. If you abstain or fail to vote your shares, including shares held by a broker or other nominee, in favor of the NRF charter proposal, this will have the same effect as a vote "AGAINST" the NRF charter proposal.

The NRF board, following the unanimous recommendation of the NRF special committee, recommends that NRF common stockholders vote "FOR" the NRF charter proposal.

Proposal 3 The NRF Compensation Proposal

(Item 3 on the NRF Proxy Card)

Pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and Section 14A of the Exchange Act, NRF is providing its stockholders with the opportunity to cast an advisory (non-binding) vote on the compensation that may be paid or become payable to the NRF named executive officers, as determined in accordance with Item 402(t) of Regulation S-K, that is

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based upon or otherwise relates to the Mergers and arises from any form of arrangement or understanding, whether written or unwritten, between NRF or NSAM and the NRF named executive officers. The NRF named executive officers are: Jonathan A. Langer, Chief Executive Officer; David T. Hamamoto, Executive Chairman of NSAM and Former Chief Executive Officer; Albert Tylis, Chief Executive Officer and President of NSAM and Former President; Daniel R. Gilbert, Chief Investment and Operating Officer; Debra A. Hess, Chief Financial Officer; and Ronald J. Lieberman, Executive Vice President, General Counsel and Secretary.

NRF therefore is asking its stockholders to vote on the adoption of the following resolution:

"RESOLVED, that the compensation that may be paid or become payable to NorthStar Realty Finance Corp.'s named executive officers in connection with the Mergers, as disclosed in the table entitled "Golden Parachute Compensation" pursuant to Item 402(t) of Regulation S-K, including the associated narrative discussion and the agreements or understandings pursuant to which such compensation may be paid or become payable, as set forth in the section entitled "The Mergers Interests of NRF's Directors and Executive Officers in the Mergers Information for Advisory Vote on Merger-Related Compensation for the NSAM and NRF Named Executive Officers" is hereby APPROVED."

Approval of the NRF compensation proposal requires the affirmative vote of a majority of the votes cast on such proposal. Abstentions, failures to vote and broker non-votes will have no effect on the approval of the NRF compensation proposal.

The NRF board, following the unanimous recommendation of the NRF special committee, recommends that NRF common stockholders vote "FOR" the NRF compensation proposal.

Proposal 4 The NRF Adjournment Proposal

(Item 4 on the NRF Proxy Card)

The NRF special meeting may be adjourned to another time or place, if necessary or appropriate, as determined by NRF, to permit further solicitation of proxies, if necessary or appropriate, as determined by NRF, to obtain additional votes in favor of the NRF merger proposal, the NRF charter proposal and the NRF compensation proposal.

If, at the NRF special meeting, the number of shares of NRF common stock present in person or represented by proxy and voting in favor of the NRF merger proposal, the NRF charter proposal and/or the NRF compensation proposal is insufficient to approve such proposal, NRF intends to move to adjourn the NRF special meeting in order to enable the NRF board to solicit additional proxies for approval of such proposals.

NRF is asking NRF common stockholders to approve the adjournment of the NRF special meeting, if necessary or appropriate, as determined by NRF, to solicit additional proxies in favor of the NRF merger proposal, the NRF charter proposal and the NRF compensation proposal.

Approval of the proposal to adjourn the special meeting, if necessary or appropriate, as determined by NRF, to solicit additional proxies requires the affirmative vote of a majority of the votes cast on such proposal.

The NRF board, following the unanimous recommendation of the NRF special committee, recommends that NRF common stockholders vote "FOR" the NRF adjournment proposal.

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THE MERGERS

The following is a description of the material aspects of the Mergers. While NSAM, Colony and NRF believe that the following description covers the material terms of the Mergers, the description may not contain all of the information that is important to NSAM stockholders, Colony stockholders and NRF stockholders. NSAM, Colony and NRF encourage NSAM stockholders, Colony stockholders and NRF stockholders to carefully read this entire joint proxy statement/prospectus, including the merger agreement attached to this joint proxy statement/prospectus as Annex A and incorporated herein by reference, for a more complete understanding of the Mergers.

General

Pursuant to the merger agreement NSAM, Colony and NRF will merge with and into Colony NorthStar through a series of transactions, with Colony NorthStar surviving as the publicly traded company. As a result of the Mergers: (i) for NSAM stockholders, each share of NSAM common stock will be converted into one share of Colony NorthStar class A common stock; and each share of NSAM performance common stock will be converted into one share of Colony NorthStar performance common stock; (ii) for Colony stockholders, (A) each share of Colony class A common stock will be converted into the right to receive 1.4663 shares of Colony NorthStar class A common stock, (B) each share of Colony class B common stock will be converted into the right to receive 1.4663 shares of Colony NorthStar class B common stock, and (C) each share of Colony preferred stock will be converted into the right to receive one share of the corresponding series of Colony NorthStar preferred stock, with substantially the same preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends, qualifications and terms and conditions of redemption to such Colony preferred stock; and (iii) for NRF stockholders, (A) each share of NRF common stock will be converted into the right to receive 1.0996 shares of Colony NorthStar class A common stock, and (B) each share of NRF preferred stock will be converted into the right to receive one share of the corresponding series of Colony NorthStar preferred stock, with substantially the same preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends, qualifications and terms and conditions of redemption to such NRF preferred stock.

After giving effect to the Mergers, it is anticipated that NSAM stockholders will own approximately 32.85%, Colony stockholders will own approximately 33.25% and NRF stockholders will own approximately 33.90% of Colony NorthStar, on a fully diluted basis, excluding the effect of certain equity-based awards issuable in connection with the Mergers. In addition, as noted above, the exchange ratios may be adjusted only under certain limited circumstances as set forth in the merger agreement, which would adjust these percentages.

Background of the Mergers

As part of NSAM's, Colony's and NRF's respective ongoing consideration and evaluation of their respective long-term prospects and strategies, the NSAM board, the Colony board and the NRF board and the management teams of NSAM, Colony and NRF periodically review and assess their respective Company's business strategies, including strategic opportunities and challenges and consider various strategic options potentially available to each Company, all with the goal of enhancing stockholder value. In connection with this review, the NSAM board, the Colony board and the NRF board and the management teams of NSAM, Colony and NRF assess developments in the broad commercial real estate market and conditions of the capital markets. As part of these efforts, the NSAM board, the Colony board and the NRF board and the management teams of NSAM, Colony and NRF review strategic alternatives to continuing to operate its respective business under current plans, including potential business combinations or partnerships, sales of assets, capital raising and return strategies, potential acquisitions of equity and assets and other transactions with third parties.

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On July 1, 2014, NRF spun-off NSAM as a separate publicly-traded asset management company. The NSAM spin-off was effected in the form of a tax-free distribution of one share of NSAM common stock for each outstanding share of NRF common stock. In connection with the NSAM spin-off, NRF and a subsidiary of NSAM entered into the NRF management agreement with a renewable 20-year term under which NRF became externally managed by the NSAM subsidiary. The NRF management agreement provides for, among other things, an annual base management fee of approximately \$186 million, plus certain other additional management and incentive fees.

During the period described below leading up to, and at the time of the announcement of, the proposed combination of NSAM, Colony and NRF, the NSAM board consisted of eight members, and the NRF board initially consisted of six members and was subsequently increased to seven members. During that period, five of the members of the NSAM board were also members of the NRF board, including David T. Hamamoto, who then served (and currently serves) as Chairman of the NRF board and as Executive Chairman of the NSAM board, and Albert Tylis, who then served (and currently serves) as a director, President and Chief Executive Officer of NSAM and then served as a director of NRF. Each of the other executive officers of NSAM also then served (and currently serve) as an executive officer of NRF or one of its subsidiaries.

In mid-November 2015, Mr. Hamamoto received an unsolicited call from a senior executive of a global asset management firm, which we refer to as Party A, inquiring about holding a meeting with Mr. Hamamoto, which meeting occurred on November 19, 2015. At the meeting, Party A discussed potentially engaging in a strategic transaction.

On November 20, 2015, the NSAM board held a meeting, at which members of NSAM's management and a representative of Sullivan & Cromwell LLP, which we refer to as Sullivan & Cromwell, outside counsel to NSAM, were present. At the meeting, Mr. Hamamoto reported to the NSAM board on the approach he received from the senior executive of Party A. The members of the NSAM board discussed with Party A the then-current state of affairs at NSAM, the potential advantages and costs of pursuing a strategic transaction, the advisability of proactively pursuing a strategic transaction and the potential process for pursuing a strategic transaction. Thereafter, the NSAM board instructed Mr. Hamamoto to engage in further discussions with Party A and determined to further consider whether pursuing strategic alternatives would be in the best interest of NSAM.

On December 7, 2015, Mr. Hamamoto received an unsolicited call from a senior executive of a second asset management firm, which we refer to as Party B. During that call, the senior executive expressed interest on behalf of Party B in engaging in discussions with NSAM regarding a potential strategic transaction.

On December 8, 2015, the NSAM board held a meeting attended by members of NSAM's management. At the meeting, Mr. Hamamoto informed the NSAM board of the approach from Party B and his conversation with the senior executive of Party A. The members of the NSAM board further discussed whether pursuing a strategic transaction was in the best interests of NSAM and whether NSAM should proactively explore a process for pursuing a strategic transaction. Following this discussion, the NSAM board expressed its support for management exploring available strategic opportunities for NSAM.

In mid-December 2015, Mr. Hamamoto and the senior executive of Party A had a conversation in which the senior executive advised Mr. Hamamoto that Party A was reviewing publicly available information regarding NSAM and would in the near term make a determination as to whether Party A wished to engage in further discussions with NSAM regarding a potential strategic transaction.

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On December 17, 2015, the NSAM board held a meeting, at which members of NSAM's management and a representative of Sullivan & Cromwell were present. At the meeting, Mr. Hamamoto reported to the NSAM board on, among others, his conversation with the senior executive of Party A. The NSAM board also discussed and reiterated its support for management exploring strategic alternatives for NSAM with Party A, Party B or another third party.

On December 23, 2015, Mr. Hamamoto received a call from the senior executive of Party A. The senior executive communicated to Mr. Hamamoto that Party A did not desire to engage in further discussions with NSAM regarding a strategic transaction.

On January 8, 2016, Messrs. Hamamoto and Tylis met with representatives of Land and Buildings Investment Management LLC, which we refer to as Land and Buildings, an investor in the real estate space, with which Mr. Hamamoto previously had discussions. Following that meeting and on the same day, Mr. Hamamoto received a letter from Land and Buildings that stated, among other things, Land and Buildings' views as to the factors driving NSAM's stock performance.

On January 9, 2016, the NSAM board met to consider, among other things, the status of the Company's evaluation of potential strategic alternatives and the January 8, 2016 meeting with and letter from Land and Buildings. Members of NSAM's management and representatives of Goldman Sachs and Sullivan & Cromwell were present. After Goldman Sachs departed the meeting, the NSAM board discussed the merits and considerations regarding the potential engagement of Goldman Sachs as a financial advisor to assist NSAM in continuing the process begun by the NSAM board and NSAM's management of exploring possible strategic alternatives as discussed above. In that connection, the NSAM board considered Goldman Sachs' historical relationships with NSAM and NRF and concluded that none of these relationships would affect Goldman Sachs' ability to provide the NSAM board with independent financial advice. Following discussion, the NSAM board determined to retain Goldman Sachs as NSAM's financial advisor, subject to the negotiation of an engagement letter, and to consider making a public announcement to that effect.

On January 10, 2016, the NSAM board held a meeting, at which members of NSAM's management and representatives of Goldman Sachs and Sullivan & Cromwell were also present. At the meeting, the NSAM board discussed the merits and considerations of the issuance of a press release announcing the NSAM board's engagement of Goldman Sachs as its financial advisor to assist NSAM in exploring strategic alternatives to enhance stockholder value. After discussion, the NSAM board approved the issuance of the proposed press release.

On January 11, 2016, NSAM issued a press release announcing that the NSAM board had hired Goldman Sachs as a financial advisor to assist NSAM in exploring possible strategic alternatives to enhance stockholder value.

Beginning the week of January 11, 2016 and continuing for several months, at the direction of the NSAM board, Goldman Sachs contacted 128 parties, including real estate companies, publicly-traded and privately-held traditional and alternative asset managers, insurance companies, large NSAM stockholders, Asian-Pacific financial services companies and U.S. and European banks to gauge their interest in engaging in discussions with NSAM concerning a potential business combination or other transaction.

On January 13, 2016, the NRF board held a meeting. At the meeting, the NRF board determined that it may be in the best interests of NRF and its stockholders for NRF to participate as a potential counterparty to NSAM in connection with NSAM's publicly announced strategic alternative process. Accordingly, and in light of the fact that five of the then six members of the NRF board were also members of the NSAM board, the NRF board established the NRF special committee, consisting

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of Charles W. Schoenherr, then the only NRF director who was not also a director of NSAM. Mr. Schoenherr was and is independent of NSAM. The NRF special committee was vested with the power and authority of the NRF board to: (i) evaluate, review and make any decision on behalf of NRF related to the announcement by NSAM that NSAM is exploring possible strategic alternatives to enhance stockholder value, including, the consideration and approval of a potential transaction with NSAM; (ii) retain and obtain advice from experts and advisors, including legal counsel and financial advisors, as the NRF special committee deems necessary or appropriate; (iii) review and evaluate the terms and conditions of any proposed transaction related to the NSAM announcement; (iv) negotiate the price, structure, terms and conditions of any related agreements; (v) determine whether any such transaction is in the best interests of NRF, taking into account the advice and opinions of the financial and other professional advisors retained by the NRF special committee; (vi) approve such transaction related to the NSAM announcement; (vii) consider other strategic alternatives available to NRF; and (viii) take such other actions related to or arising in connection with any such transaction as the NRF special committee deems necessary or appropriate.

On January 14, 2016, Mr. Hamamoto met with Thomas J. Barrack, Jr., the Executive Chairman of Colony, for a general discussion on the NSAM process. From Colony's perspective, it sought to obtain information to determine if it wanted to participate in the NSAM process. Mr. Barrack stated he would contact Goldman Sachs if Colony was interested in participating in the process.

On January 15, 2016, the NRF special committee held a meeting. It was attended by representatives of Venable LLP, which we refer to as Venable. The NRF special committee reviewed the delegation of authority previously authorized by the NRF board and discussed the reasons the NRF board formed the NRF special committee, namely that Mr. Schoenherr was then the only NRF director who was not also a director of NSAM and not otherwise affiliated with NSAM. Following discussion, the NRF special committee engaged Venable as its legal advisor. The NRF special committee also discussed the potential engagement of a financial advisor to assist the NRF special committee, and Mr. Schoenherr noted that he had spoken with representatives of both UBS and another potential financial advisor, regarding each firm's potential service as financial advisor to the NRF special committee. In addition, representatives of Venable also provided an overview of the duties of directors, including when acting as a member of a special committee of a board of directors of a Maryland corporation under Maryland law. Between the date of formation of the NRF special committee and the date of announcement of the Mergers, the NRF special committee met formally, either in person or telephonically, 42 times and also had many conference calls and/or other communications.

On January 19, 2016, the NRF special committee held a meeting, which was attended by representatives of Venable. At the meeting, the NRF special committee discussed the potential engagement of UBS as a financial advisor to the NRF special committee. Following discussion, including consideration of a letter, dated January 14, 2016, detailing UBS's historical relationships with NRF and NSAM, none of which the NRF special committee believed would affect UBS's ability to provide it with independent financial advice, the NRF special committee indicated that it had determined to engage UBS as financial advisor to the NRF special committee, subject to the negotiation of an engagement letter.

On January 20, 2016, the NSAM board held a meeting to, among other things, receive an update on the status of the strategic alternatives process. Members of NSAM's management and representatives of Goldman Sachs and Sullivan & Cromwell were present at the meeting. Representatives of Goldman Sachs provided the NSAM board with an overview of the status of the strategic alternatives process and discussed with the NSAM board potential transaction counterparties that had been contacted already by Goldman Sachs as well as other potential transaction counterparties

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that Goldman Sachs intended to contact as part of the process. The NSAM board agreed that it would consider any value enhancing ideas that potentially could be in the best interests of stockholders, including NSAM remaining as a standalone public company. A representative of Sullivan & Cromwell reviewed with the NSAM board certain provisions in NSAM's form of confidentiality agreement approved by NSAM for distribution to potential interested parties, including the inclusion of certain customary standstill provisions as described below. The NSAM board also discussed its view that, given the potential that NRF may be interested in engaging in discussions with NSAM concerning a potential transaction, and the fact that there was a substantial overlap between members of the boards and senior management of NRF and NSAM, it would be in the best interests of NSAM's stockholders for the three independent NSAM directors who do not also serve as directors of NRF and who are not otherwise affiliated with NRF Stephen E. Cummings, Justin Metz and Oscar Junquera, whom we refer to as the non-overlapping NSAM directors to retain their own counsel and to meet separately to discuss and make recommendations with respect to the ongoing strategic alternatives process. In light of the significant number of parties other than NRF being approached as part of the outreach process, the NSAM board did not view it as necessary at this time to establish a formal special committee. However, the NSAM board believed that the retention by the non-overlapping NSAM directors of separate counsel would position them to serve as a special committee of the NSAM board if later on a potential transaction with NRF warranted the establishment of such a committee.

Ultimately, 25 of the 128 parties contacted by Goldman Sachs, including NRF, entered into customary confidentiality agreements with NSAM and received NSAM's confidential information memorandum and a formal process letter. Colony did not enter into a confidentiality agreement with NSAM until Colony entered into a joinder to NRF's confidentiality agreement with NSAM, as described below. Each confidentiality agreement was substantially similar, and contained a so-called "don't ask, don't waive" provision stating that a potential bidder was not permitted to ask the NSAM board for a waiver of the standstill. These provisions were discussed with, and approved by, the NSAM board, including each non-overlapping NSAM director. Under the merger agreement, the NSAM board (or a duly authorized committee of the NSAM board) may, in accordance with its fiduciary duties under applicable law, also waive the standstill provision in those agreements to permit a person to make a confidential acquisition proposal to the NSAM board.

On January 22, 2016, Land and Buildings sent a public letter to Mr. Hamamoto, expressing its view that NSAM was "materially undervalued" and proposing "numerous paths to unlock" value for the NSAM stockholders, including payment of a \$2.6 billion special dividend, recombining NSAM and NRF and reconstituting the NSAM board.

Also on January 22, 2016, following discussion, the non-overlapping NSAM directors engaged Fried, Frank, Harris, Shriver & Jacobson LLP, which we refer to as Fried Frank, as their legal advisor.

On January 24, 2016, the NSAM board held a meeting, at which members of NSAM's management and representatives of Goldman Sachs, Sullivan & Cromwell and Fried Frank were also in attendance. At the meeting, representatives of Goldman Sachs discussed with the NSAM board the overall M&A environment, various strategic alternatives potentially available to NSAM, including NSAM remaining as a standalone public company and an internalization transaction with NRF, and an overview of the ongoing strategic alternatives process. Immediately following the meeting, the non-overlapping NSAM directors held an executive session, without the presence of members of NSAM's management, to discuss process considerations relating to the strategic alternatives process. The non-overlapping NSAM directors requested that Fried Frank, with the assistance of Sullivan & Cromwell, prepare guidelines, which we refer to as the process guidelines, to outline the respective roles of the non-overlapping NSAM directors, the directors of NSAM who are also directors of NRF and the executive officers of NSAM who are also executive officers of NRF, in connection with NSAM's strategic alternative process, particularly as it relates to NRF's participation in the process.

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Between January 24 and February 12, 2016, Fried Frank and Sullivan & Cromwell worked with Venable to develop the process guidelines. The process guidelines were approved at a meeting of the NRF special committee on February 11, 2016 and at a meeting of the non-overlapping NSAM directors on February 12, 2016.

The NRF special committee held a meeting on January 25, 2016, which was attended by representatives of Venable. At the meeting, the NRF special committee discussed the specific terms of its engagement letter with UBS as well as UBS's historical relationships with and representations of NRF and NSAM. Thereafter, the NRF special committee entered into its engagement letter with UBS to serve as its financial advisor, which engagement letter was subsequently amended and supplemented on April 15, 2016. The NRF special committee held a second meeting on January 25, 2016. Members of NRF's management attended part of the meeting at the request of the NRF special committee. Representatives of UBS and Venable were also in attendance. During the meeting, representatives of UBS discussed with the NRF special committee, among other things, the recent stock price performance of both NRF and NSAM, the key issues facing NRF and a range of strategic alternatives potentially available to NRF, including a potential change of control of NRF. The NRF special committee discussed with NRF's management the information and assistance the NRF special committee would seek from NRF's management. The NRF special committee also explained the role it expected NRF's management to serve during the NRF special committee's process, namely, assisting the NRF special committee as requested.

During this period, Hunton & Williams LLP, which we refer to as Hunton, was engaged to serve as transaction counsel to NRF in connection with its participation in the NSAM strategic alternatives process and to report to and take direction from the NRF special committee.

On January 28, 2016, Colony informed Goldman Sachs that it was not interested in participating in the process at that time but that Colony would potentially be interested in acquiring NSAM's management agreement with NRE. Colony did not execute a confidentiality agreement and did not receive NSAM's confidential information memorandum or formal process letter.

While Colony did consider acquiring the management agreement with NRE, which would have met one of Colony's objectives of expanding its European business by managing a European based publicly traded vehicle, Colony did not view such acquisition as an alternative to a two-party transaction with NSAM.

Colony was not interested in pursuing a two-party transaction with NSAM due to a number of factors, including those that follow. Colony had concerns regarding the NRF management agreement due to its structure as well as its off market terms, which Colony believed impeded long-term growth for both NSAM and NRF. In addition, Colony had concerns regarding the current status of the non-traded REIT business resulting from recent regulatory changes, which had affected the ability of non-traded REIT's to raise capital in the retail investor market. Colony believed that changes would need to be made to this market to make it more investor friendly and "institutionalized". From Colony's perspective, a larger scale platform was essential to have the staying power to manage through the anticipated transition period and to be successful once this market has stabilized. Colony was not sure that a two-party transaction would provide sufficient scale for these purposes. Further, Colony was concerned that following a Colony NSAM transaction, the combined entity would fail to qualify as a REIT under the applicable tests, given that most of NSAM's income and assets are not REIT-qualifying. Because of these concerns, Colony did not believe at the time that entering into a transaction solely with NSAM was in the best interests of Colony and its stockholders.

Between January 28 and February 11, 2016, the NSAM board held several meetings to receive updates regarding the strategic alternatives process. Members of NSAM's management and

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representatives of Goldman Sachs, Sullivan & Cromwell and Fried Frank attended each meeting. At these meetings, Goldman Sachs provided updates on the strategic alternatives process, including with respect to the parties it had contacted and the parties that were in the process of negotiating, or had executed, confidentiality agreements with NSAM. In addition, during this period, the non-overlapping NSAM directors had on-going discussions with representatives of Fried Frank regarding the process.

As part of the strategic alternatives process, at the direction of the NSAM board, members of NSAM's senior management met with the potential counterparties that requested such meetings. Between January 25, 2016 and February 16, 2016, NSAM's management met or otherwise communicated with seven potential bidders.

On February 2, 2016, the NRF special committee held a meeting. Members of NRF's management attended at the request of the NRF special committee. Representatives of UBS and Venable also attended the meeting. At the meeting, the parties discussed the possibility of a strategic transaction with NSAM, and UBS discussed with the NRF special committee, among other things, NRF's performance in the public market. Representatives of Venable also led a discussion regarding the sharing of information with members of the NRF board who were not serving on the NRF special committee. The NRF special committee also discussed and approved a confidentiality agreement with NSAM, by which NRF and NSAM would each be subject to mutual confidentiality and nondisclosure requirements and NRF would be subject to certain standstill requirements. After members of NRF's management left the meeting, the NRF special committee discussed other companies likely to be interested in bidding to acquire NSAM. Later that day, NRF entered into a confidentiality agreement with NSAM in connection with NSAM's strategic alternative review process.

On February 4, 2016, the NSAM board held a meeting, at which representatives of management, Goldman Sachs, Sullivan & Cromwell and Fried Frank were also present. At the meeting, Goldman Sachs provided an update on the status of the NSAM strategic alternatives process.

On February 10, 2016, the NRF special committee held a meeting, which representatives of UBS, Hunton and Venable attended. At the meeting, UBS provided an update regarding the potential transaction between NRF and NSAM, and Venable provided a review of the process guidelines.

On February 11, 2016, the NRF board held a meeting. Members of NRF's management attended at the request of the NRF special committee. Representatives of UBS, Hunton and Venable also attended. At the meeting, representatives of UBS discussed the potential strategic alternatives available to NRF, including a potential business combination transaction with NSAM.

Following the NRF board meeting, the NRF special committee held a meeting on February 11, 2016. Representatives of UBS, Hunton and Venable attended. At the meeting, as noted above, the NRF special committee approved the process guidelines and further discussed the matters considered by the NRF board earlier that day. The NRF special committee also discussed the low likelihood of a firm bidding for NRF without including the acquisition of NSAM because of the NRF management agreement. The NRF special committee also discussed the possibility of a new director being added to the NRF board and to the NRF special committee, and later that day Mr. Schoenherr met with Gregory Z. Rush.

On February 16, 2016, the NRF special committee held a meeting, attended by representatives of UBS, Hunton and Venable. At the meeting, representatives of UBS, Hunton and Venable discussed with the NRF special committee a draft bid letter to be submitted to NSAM providing for a potential recombination between NSAM and NRF. The NRF special committee noted that a merger between NRF and NSAM would address several key issues regarding NRF including, a valuation discount as a result of NRF's external management structure, including the burden of the NRF management

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agreement, and high leverage levels. The NRF special committee also considered prior information it and representatives of UBS had received from NRF's management. The NRF special committee also considered NRF's current dividend, its stockholder base and operating fundamentals.

Between February 18 and February 22, 2016, several parties submitted preliminary non-binding indications of interest for potential transactions with NSAM, including:

NRF, which proposed an at-market, stock-for-stock merger with NSAM;

a privately-held commercial real estate services and investment management services company, referred to as Party C, which proposed a combination of Party C and NSAM in which NSAM stockholders would receive \$4.07 per NSAM share in cash and shares representing an approximately 45% ownership interest in the combined company, which Party C valued at \$7.73 per NSAM share;

a publicly traded alternative asset manager, referred to as Party D, which proposed to acquire NSAM for cash and stock consideration with a value of \$11.50 per NSAM share; and

another publicly traded alternative asset manager, referred to as Party E, which proposed an acquisition in which NSAM stockholders would receive stock consideration (together with a simultaneous cash dividend payment) with an estimated value of \$11.77 per NSAM share or, alternatively, an acquisition by Party E of one of NSAM's management contracts.

In addition, a non-U.S. financial services company, which we refer to as Party F, submitted an informal e-mail indication of interest based solely on public information to acquire NSAM for \$13.19 per share in cash. Another non-US financial services company, which we refer to as Party G, proposed to purchase between 10% and 25% of NSAM's outstanding shares at a price of \$10.25 in cash (a price below NSAM's then-current trading price). No indication of interest was submitted by Party B. The closing sale price of NSAM common stock on February 19, 2016, was \$10.61 per share.

On February 19, 2016, Ronald J. Lieberman, Executive Vice President, General Counsel and Secretary of NRF and a representative of Venable had a telephonic discussion with Mr. Rush, regarding Mr. Rush potentially joining the NRF board and NRF special committee. During such call, the representative of Venable provided Mr. Rush an overview of the duties of directors of a Maryland corporation, including when acting as a member of a special committee.

On February 20, 2016, the non-overlapping NSAM directors held a meeting attended by representatives of Fried Frank. At the meeting, representatives of Fried Frank discussed with the non-overlapping NSAM directors the various indications of interest received in connection with the strategic alternatives process, including the indication of interest received from NRF. The non-overlapping NSAM directors discussed the merits of the various indications of interest and other related considerations.

On February 23, 2016, the NSAM board held a meeting, at which members of NSAM's management and representatives of Goldman Sachs, Sullivan & Cromwell and Fried Frank were also present. Goldman Sachs reviewed the indications of interest received from NRF and Parties C, D, E, F and G. After discussion of the merits of each indication of interest and other related considerations, the NSAM board determined to invite all of the parties that had submitted formal indications of interest, other than Party G, to participate in the second round of the strategic alternatives process. The NSAM board also instructed Goldman Sachs to communicate to Party E that it was not interested in pursuing Party E's proposal to acquire a management contract under which NSAM managed a

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company (other than NRF). After the NSAM board meeting, another party also submitted an indication of interest for one of NSAM's non-NRF management contracts; this expression of interest was subsequently communicated to members of the NSAM board, which instructed Goldman Sachs that it was not interested in pursuing this proposal.

Also on February 23, 2016, Mr. Schoenherr further discussed with representatives of Venable the possibility of increasing the size of the NRF board and adding a second member to the NRF special committee.

On February 24, 2016, the non-overlapping NSAM directors held a meeting at which representatives of Fried Frank were also present. At the meeting, the non-overlapping NSAM directors discussed whether it would be advisable to retain a separate financial advisor, particularly given that NRF had submitted an indication of interest for a transaction with NSAM. The non-overlapping NSAM directors discussed the fact that, if a special committee of the NSAM board were to be formed, financial advisors retained by the non-overlapping NSAM directors could serve as the financial advisor to such committee.

Also on February 24, 2016, the NRF board elected Mr. Rush, effective on March 1, 2016, as an independent director of the NRF board. Concurrently with the effectiveness of Mr. Rush's election to the NRF board, the size of the NRF board was increased from six to seven members, until the 2016 annual meeting of stockholders of NRF, at which point the size of the NRF board would be reduced back to six directors who would stand for election. Concurrently with his election to the NRF board, the size of the NRF special committee was increased to two members and Mr. Rush was appointed to serve on the NRF special committee.

On February 26, 2016, after notifying NSAM, NRF publicly disclosed the prior formation of the NRF special committee and its retention of UBS as its financial advisor to advise on a potential recombination with NSAM.

On February 29, 2016, Goldman Sachs sent letters to NRF, Party C and Party D instructing them to submit definitive, binding proposals for a transaction with NSAM no later than March 29, 2016. Thereafter, in mid-March, a draft merger agreement was provided to the remaining bidders, including NRF. Party E had indicated that it was only interested in pursuing a transaction along with Party C and thus it was not sent a separate letter. On multiple occasions throughout February and early March, Goldman Sachs requested that Party F submit a formal indication of interest and enter into a confidentiality agreement, but Party F ultimately determined not to proceed.

On February 29, 2016, Land and Buildings sent a public letter to Judith Hannaway, the lead independent director of NSAM, expressing its disappointment with updates to the NSAM process and belief that there were "conflicts of interest" at NSAM and NRF. Land and Buildings also called upon Ms. Hannaway, in her capacity as lead independent director, to add "new independent directors to the NSAM board" and form a committee of "independent directors and advisors to lead the evaluation of strategic alternatives."

On March 1, 2016, the NRF special committee held a meeting at which representatives of UBS, Hunton and Venable were present. At the meeting, representatives of UBS provided an overview of the second round process letter sent by Goldman Sachs on February 29, 2016. Mr. Rush also noted that he would be separately meeting with representatives of UBS to discuss the potential transaction with NSAM. In light of Mr. Rush's appointment to the NRF special committee effective that day, representatives of Venable again discussed with the NRF special committee certain relationships previously disclosed to Mr. Schoenherr regarding UBS, Hunton, Venable and members of NRF's management and the process guidelines.

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On March 5, 2016, detailed due diligence and reverse due diligence commenced between NSAM and NRF and Parties C, D and E. At the direction of the NSAM board, NSAM's management provided NRF and Parties C, D and E and their advisors with access to information regarding NSAM via a virtual data room, which was opened on March 5, 2016. Additionally, at the direction of the NSAM board, members of NSAM's management and representatives of NSAM conducted in-person meetings and calls with representatives of the remaining bidders and their advisors addressing business, financial, tax, legal, accounting and other diligence matters, both with respect to NSAM and with respect to the remaining bidders.

On March 9, 2016, the non-overlapping NSAM directors held a meeting at which representatives of Fried Frank were also present. At the meeting, the non-overlapping NSAM directors further discussed whether it was advisable to retain a financial advisor. After discussion, the non-overlapping NSAM directors determined that it was in the best interests of NSAM and NSAM's stockholders for the non-overlapping NSAM directors to retain a financial advisor. In addition, the non-overlapping NSAM directors discussed potential payments that certain members of NSAM's management would receive in a potential change of control transaction under pre-existing agreements with NSAM, and the possibility of requesting management reduce such compensation.

Between March 9 and March 19, 2016, the non-overlapping NSAM directors contacted and interviewed four potential investment banks. Following discussion, including discussion of potential historical relationships of Evercore Group L.L.C., which we refer to as Evercore, with potential bidders, and confirmation that Evercore was not subject to any conflicts of interest that would affect its ability to provide independent financial advice to them, the non-overlapping NSAM directors determined to retain Evercore, subject to the negotiation of an engagement letter.

On March 10, 2016, Party D informed Goldman Sachs that it was formally withdrawing from the process due to Party D-specific considerations.

Also on March 10, 2016, the NSAM board held a meeting. Representatives of management, Goldman Sachs, Sullivan & Cromwell and Fried Frank attended the meeting. At the meeting, Goldman Sachs provided an update on the status of the strategic alternatives process. In addition, members of NSAM's management presented to the NSAM board financial projections for NSAM prepared by management at the direction of the NSAM board in connection with NSAM's exploration of strategic alternatives. Members of NSAM's management also discussed with the NSAM board the key assumptions underlying the projections. After discussion, the NSAM board, including each of the non-overlapping NSAM directors, approved the use of the projections in connection with the strategic alternatives process.

On March 11, 2016, the NRF special committee held a meeting, attended by representatives of UBS, Hunton and Venable. At the meeting, representatives of UBS provided an update on the status of the potential transaction with NSAM, including the proposed potential exchange ratio for the transaction, and financing considerations relating to the potential transaction. Representatives of Hunton updated the NRF special committee regarding potential legal and tax considerations relating to the potential transaction. Representatives of UBS and Hunton also updated the NRF special committee regarding the diligence process.

On March 16, 2016, the NRF special committee held a meeting, attended by representatives of UBS, Hunton and Venable. At the meeting, representatives of UBS and Hunton provided an update on the status of a potential transaction with NSAM. The NRF special committee also discussed certain tax, legal and regulatory matters relating to the potential transaction with NSAM and NRF's management's view of the tax implications of the potential transaction, which had been communicated

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to a representative of Hunton. Representatives of UBS and Hunton also provided an update regarding the diligence process.

On March 21, 2016, given that NRF was one of only two potential counterparties that remained interested in engaging in discussions concerning a potential transaction with NSAM, the NSAM board determined to create a special committee, with the power and authority to manage and oversee the negotiations with NRF and any other remaining counterparties. Following discussion, the NSAM board unanimously approved the establishment of a special committee consisting of the non-overlapping NSAM directors and vested the NSAM special committee with, among other things, the power and authority of the NSAM board to manage and oversee the NSAM strategic alternatives process, evaluate possible strategic alternatives or other transactions that may be available to NSAM, manage and oversee the negotiations of any definitive agreement with respect to any strategic alternatives and make a recommendation to the NSAM board regarding whether to undertake and approve one or more strategic alternatives that may result from the process. In addition, the NSAM board determined that it would not approve any transaction or other strategic alternative without the affirmative recommendation of the NSAM special committee. That same day, NSAM issued a news release announcing the formation of the NSAM special committee and stating that the NSAM special committee had retained Evercore as its financial advisor and Fried Frank as its legal advisor. Between the formation of the NSAM special committee and the announcement of the Mergers, the NSAM special committee met formally 18 times, in addition to many other conference calls and communications, as well as meetings of the non-overlapping NSAM directors prior to the formation of the NSAM special committee.

On March 21, 2016, at the request of Party C, NSAM extended the bid deadline to April 5, 2016 to give the bidders more time to prepare second round bids.

On March 22, 2016, the NRF special committee held a meeting. At the request of the NRF special committee, members of NRF's management attended the meeting. Representatives of UBS, Hunton and Venable also attended. At the meeting, representatives of UBS provided an update regarding the potential transaction with NSAM. At the request of the NRF special committee, members of NRF's management outlined the benefits they anticipated from the potential transaction with NSAM, and responded to questions from the NRF special committee.

On March 26, 2016, the NSAM special committee held a meeting, which was attended by representatives of Fried Frank. At the meeting, the NSAM special committee appointed Mr. Cummings as its chairman. In addition, representatives of Fried Frank reviewed the fiduciary duties of the members of the NSAM special committee and the NSAM special committee's role and authority, including its ability to reject any proposed transaction. The NSAM special committee also reviewed, among other things, potential payments that certain members of NSAM's management would receive in a possible change of control transaction under pre-existing agreements between members of NSAM's management, on the one hand, and NSAM, NRF and/or NRE, on the other hand, and the merits and possibility of requesting that management agree to modify or reduce the payments they would receive in connection with a potential transaction.

On March 30, 2016, the NRF special committee held a meeting. At the request of the NRF special committee, members of NRF's management attended part of the meeting. Representatives of UBS, Hunton and Venable also attended. At the meeting, representatives of UBS provided an update regarding the potential transaction with NSAM during which the NRF special committee discussed, among other matters, each of NRF's and NSAM's current position in the market, the advantages and disadvantages of undertaking the potential transaction with NSAM, the anticipated structure of the potential transaction, debt obligations of NRF that would become due as a result of the potential transaction and the potential consideration to be paid by NRF in connection with the potential

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transaction, including the possibility of paying with a mix of cash and stock or paying a premium above NSAM's current market price and a potential bridge financing facility to be provided by UBS in connection with the potential transaction. Following NRF's management leaving the meeting, the NRF special committee went into executive session to discuss the foregoing, including the information provided by NRF's management.

Also on March 30, 2016, Mr. Hamamoto had a lunch meeting with Richard B. Saltzman, Chief Executive Officer and President of Colony. At the meeting, Mr. Saltzman indicated that Colony had not been interested in pursuing a transaction solely with NSAM because, among other reasons, such a transaction would not create sufficient scale, optimize value, minimize conflicts of interest or solve certain corporate governance and REIT compliance concerns; however, Mr. Saltzman indicated that Colony may be interested in pursuing a transaction with both of NSAM and NRF. Given the ongoing strategic alternatives process at NSAM, Mr. Hamamoto suggested that Colony contact NRF and UBS to discuss a potential transaction, and Colony subsequently did so.

On March 31, 2016, the NSAM special committee met twice. At the invitation of the NSAM special committee, representatives of management, Goldman Sachs, Evercore, Fried Frank and Sullivan & Cromwell attended the first meeting and representatives of Evercore and Fried Frank attended the second meeting. At the first meeting, representatives of Goldman Sachs reviewed the strategic alternatives process to date. At the second meeting, representatives of Evercore discussed certain information that NSAM's management provided to Evercore at the direction of the NSAM special committee, as well as the possibility of selling the NRF management agreement and other alternatives regarding the NRF management agreement. In addition, the NSAM special committee requested that representatives of Evercore contact Party F, which previously had expressed interest informally in an acquisition of NSAM but had subsequently dropped out, to ascertain their interest in a potential transaction with NSAM.

On April 1, 2016, representatives of Evercore spoke with representatives of Party F, who confirmed that Party F was not interested in pursuing a transaction with NSAM.

Also on April 1, 2016, the NRF special committee held a meeting. At the request of the NRF special committee, members of NRF's management attended the meeting. Representatives of UBS, Vinson & Elkins and Venable also attended the meeting. At the beginning of the meeting, a representative of Vinson & Elkins explained that the attorneys from Hunton that had been representing NRF had moved to Vinson & Elkins, effective as of April 1, 2016. Following discussion, the NRF special committee engaged Vinson & Elkins as counsel to NRF, replacing Hunton. At the request of the NRF special committee, Mr. Hamamoto then explained his recent conversation with Mr. Saltzman regarding a potential transaction combining NSAM, NRF and Colony into a single entity. Following discussion, the NRF special committee authorized Venable and Vinson & Elkins to have Colony execute a joinder to the confidentiality agreement previously entered into between NSAM and NRF. The NRF special committee also discussed requesting an extension regarding the second-round bid deadline in order to evaluate a potential transaction combining NSAM, NRF and Colony into a single entity and discussed obtaining a standstill agreement from Colony.

Later on April 1, 2016, Colony executed a joinder to the confidentiality agreement previously entered into between NSAM and NRF.

In early April 2016, Party C communicated to NSAM that it would likely not be able to meet NSAM's bid deadline of April 5, 2016 and requested an extension. Party C also requested that it be permitted to enter into discussions with potential financing sources and the NSAM special committee granted permission for it to do so. In addition, as a result of Colony's potential interest, NRF also indicated that it would be difficult to meet the April 5, 2016 bid deadline.

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On April 3, 2016, the NRF special committee held a meeting. At the request of the NRF special committee, members of NRF's management attended part of the meeting. Representatives of UBS, Vinson & Elkins and Venable also attended the meeting. At the request of the NRF special committee, members of NRF's management provided an update on conversations they had with members of Colony's management since the NRF special committee meeting on April 1, 2016. The NRF special committee authorized UBS to request an extension of the second-round bid deadline. Following members of NRF's management leaving the meeting, the NRF special committee went into an executive session. During the executive session, representatives of Venable reminded the members of the NRF special committee of their duties as directors of a Maryland corporation, including certain additional considerations that may be applicable to a potential three-party transaction involving NRF, NSAM and Colony. The NRF special committee also further discussed the materials considered at the meeting.

On April 3, 2016, the NSAM special committee held a meeting at which representatives of Evercore and Fried Frank were also present. At the meeting, representatives of Evercore and Fried Frank discussed with the NSAM special committee that Colony had discussed with NRF the possibility of jointly proposing a three-party transaction involving Colony, NRF and NSAM and that Party C and NRF had both requested an extension of the bid deadline. After discussion, the NSAM special committee determined to extend the bid deadline to the close of business on April 19, 2016 to provide Party C the opportunity to develop a fully financed bid and to provide NRF and Colony the opportunity to develop a joint proposal. Additionally, Evercore reported that Party F was not interested in pursuing a transaction with NSAM at this time, however Evercore would continue to reach out to other potential transaction counterparties.

On April 3, 2016, Colony entered into mutual standstill agreements with each of NSAM and NRF, limiting each party's ability to acquire the stock of the other parties. Also on April 3, 2016, members of NSAM's, NRF's and Colony's management, along with their respective legal and financial advisors, met at NSAM's headquarters to discuss the prospect of engaging in a potential three-party transaction.

On April 4, 2016, the NRF board held a meeting. At the request of the NRF board, members of NRF's management as well as representatives of Vinson & Elkins attended part of the meeting. Representatives of UBS and Venable also attended the meeting. During the meeting and at the request of the NRF special committee, members of NRF's management updated the directors regarding the recent conversations between members of NRF's management and members of Colony's management regarding a potential three-party transaction involving NRF, NSAM and Colony. Representatives of UBS also informed the NRF board that the second-round bid deadline had been extended to the close of business on April 19, 2016. Following discussion, the NRF board confirmed that the NRF special committee would continue to oversee the process regarding both the potential two-party transaction between NRF and NSAM and the potential three-party transaction involving NRF, NSAM and Colony. At the end of the NRF board meeting, members of NRF's management, including management directors, and representatives of UBS and Vinson & Elkins left the meeting and the remaining directors, including the directors on the NRF special committee, held an executive session with Venable discussing, among other matters, the interests of NRF's management in the potential three-party transaction as well as in a potential two-party transaction with NSAM and the continued possibility that the NRF special committee may determine that submitting a bid for a potential two-party transaction with NSAM, rather than the potential three-party transaction involving Colony, may be in the best interests of NRF.

During the week of April 4, 2016, at the direction of the NSAM special committee, representatives of Evercore met with representatives of UBS to discuss a potential transaction. Additionally, representatives of Colony began conducting due diligence on NRF in connection with a

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potential three-party transaction involving Colony, NRF and NSAM, and representatives of NRF and NSAM began conducting due diligence on Colony.

On April 6, 2016, the legal representatives of each of NSAM, NRF and Colony held an organizational meeting at NRF's offices to discuss the diligence process and negotiations among the three parties and their various advisors.

On April 7, 2016, at the direction of the NSAM special committee, representatives of Evercore met with a senior executive of Party C to discuss Party C's interest in a potential transaction with NSAM. The senior executive of Party C confirmed that it remained interested in a potential transaction but indicated that it was still working to secure financing for a bid and that it would likely not be able to submit a fully financed bid by the April 19, 2016 extended bid deadline.

On April 9, 2016, the NSAM special committee held a meeting to discuss recent developments in NSAM's strategic alternatives process at which representatives of Evercore and Fried Frank were also present. Representatives of Evercore provided the NSAM special committee with an update on the strategic alternatives process, including their meeting with a senior executive of Party C. In addition, Evercore had identified two additional parties that had not yet been contacted in connection with the strategic alternatives process. The NSAM special committee authorized Evercore to contact those two parties. Evercore also reported that it held discussions with Parties A and B, one of which stated that it may be interested in buying assets or providing financing in connection with an NSAM-NRF transaction. Additionally, the NSAM special committee discussed with Evercore the possibility of restructuring the NRF management agreement, including selling all or part of the NRF management agreement back to NRF; however, Fried Frank noted that selling the NRF management agreement would result in substantial tax implications to NSAM. In addition, Fried Frank discussed with the NSAM special committee proposed updates to the process guidelines intended to reflect the appointment and mandate of the NSAM special committee. The NSAM special committee approved the updated process guidelines.

During the week of April 10, 2016, at the direction of the NSAM special committee, representatives of Evercore and Goldman Sachs met with representatives of UBS to discuss the strategic alternatives process. The parties also noted that there was a material amount of diligence to be completed and that any proposed transaction involving NRF and Colony would, by virtue of its three-party nature, require additional analysis. In addition, on April 13 and 14, 2016, representatives of Evercore contacted the two additional parties it had discussed with the NSAM special committee at the April 9 meeting. Each of those two parties declined to participate in the strategic alternatives process.

On April 11, 2016, the NRF special committee held two meetings, the first of which was attended by representatives of Vinson & Elkins and Venable. During the first meeting, the NRF special committee discussed potentially amending and supplementing the UBS engagement letter to give effect to the three-party transaction. At the second meeting, NRF's management attended at the request of the NRF special committee. Representatives of UBS, Vinson & Elkins and Venable also attended. During the second meeting, representatives of UBS provided an update to the NRF special committee regarding the review process being undertaken with regard to both the potential two-party transaction between NRF and NSAM and the potential three-party transaction involving NRF, NSAM and Colony. The NRF special committee determined to schedule an NRF board meeting in order to update the other members of the NRF board regarding the NRF special committee's process to provide them information in the event the other NRF board members would be required under Maryland law to vote on a potential transaction.

On April 12, 2016, the NRF special committee held a meeting. At the request of the NRF special committee, members of NRF's management attended the meeting. Representatives of UBS and

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Venable also attended the meeting. During the meeting, representatives of UBS discussed with the NRF special committee, among other things, the financial forecasts.

On April 15, 2016, counsel to each of Colony, NSAM and NRF, along with members of NSAM's management and NRF's management, held a meeting to discuss the potential structure of a transaction involving Colony, NSAM and NRF.

On April 16, 2016, the NSAM special committee held a meeting to discuss developments in NSAM's strategic alternatives process. Representatives of Evercore and Fried Frank reported to the NSAM special committee regarding the process.

On April 18, 2016, the NRF special committee held a meeting. At the request of the NRF special committee, members of NRF's management attended the meeting. Representatives of UBS, Vinson & Elkins and Venable also attended. Representatives of UBS discussed, among other things: (i) the terms of a second round bid letter to be submitted to NSAM; (ii) various information with respect to Colony; (iii) the challenges presented by NRF being externally managed; and (iv) the potential benefits and risks of the potential three-party transaction including Colony. The NRF special committee also considered the advantages and disadvantages of undertaking a potential three-party transaction involving NSAM, Colony and NRF and the potential two-party transaction between NSAM and NRF, including the significantly higher synergies in a three-party transaction as compared to a two-party transaction. Following discussion, the NRF special committee authorized the submission of a second-round joint bid letter with Colony to NSAM only with respect to a three-party transaction.

Also on April 18, 2016, the NRF board held a meeting, which was attended by all of the members of the NRF board. Also in attendance were members of NRF's management, who attended at the request of the NRF special committee, as well as representatives of UBS, Vinson & Elkins and Venable. At the meeting, representatives of UBS provided an update regarding certain financial aspects of the potential three-party transaction with NRF, NSAM and Colony, which included management's estimates on certain financial metrics, including synergies. A representative of Venable provided an update to the entire NRF board regarding the process guidelines, including updates to the process guidelines intended to reflect the appointment and mandate of the NSAM special committee.

On April 18, the Colony board held a special meeting. At the meeting, members of Colony's management and all of the members of the Colony board discussed a potential three-party transaction involving NRF, NSAM and Colony, and the terms of the bid package to be delivered to NSAM.

On April 19, 2016 the NRF special committee held a meeting. At the request of the NRF special committee, members of NRF's management attended the meeting. Representatives of UBS, Vinson & Elkins and Venable also attended. At the meeting, the NRF special committee discussed the proposed second-round bid to be submitted later that day, which would propose the potential three-party transaction among NRF, NSAM and Colony. Representatives of Vinson & Elkins noted that a proposed markup of the merger agreement would be submitted as part of NRF's bid, and reviewed the proposed merger agreement with the NRF special committee. Following discussion, the NRF special committee authorized the inclusion of a markup to NSAM's draft merger agreement with its submission of a second-round bid letter.

Also on April 19, 2016, NSAM received two proposals a proposal in the form of a letter from Party C (without Party E) and a joint proposal, consisting of a proposal letter, a proposed draft merger agreement and supporting documentation, from NRF and Colony. Party C proposed a transaction in which NSAM and Party C would combine, with investors in Party C receiving approximately 32% of the equity of the combined company with the NSAM stockholders receiving the remaining 68% of the equity of the combined company, no cash distribution to NSAM stockholders

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and, as a condition to closing, the combined company would have been required to raise an additional \$100 to \$150 million of convertible preferred equity capital for which no commitments (preliminary or otherwise) had been obtained. According to Party C, its proposed transaction would value the total equity of NSAM at \$2.35 billion. Party C did not provide a markup for NSAM's draft merger agreement. In addition, Party C required a 60-day period of exclusivity in order to proceed. The joint proposal from NRF and Colony contemplated a three-party at-market stock-for-stock transaction at exchange ratios to be determined. NRF and Colony provided a markup of NSAM's draft merger agreement.

On April 20, 2016, the NSAM special committee held a meeting to review on a preliminary basis the proposals submitted on April 19, 2016. Representatives of Goldman Sachs, Evercore and Fried Frank also attended the meeting. Representatives of Goldman Sachs, Evercore and Fried Frank reviewed the proposals with the NSAM special committee. The NSAM special committee determined to meet the following week to review the proposals in greater detail. At the conclusion of the meeting, the NSAM special committee held an executive session attended by representatives of Evercore and Fried Frank.

On April 21, 2016, representatives of Evercore had an informal meeting with Mr. Barrack at which Mr. Barrack expressed Colony's interest in a potential three-party transaction.

Although, as noted above, Colony was not interested in pursuing a two-party transaction with NSAM due to its concerns, many of these concerns were mitigated by the three-party transaction that was ultimately agreed to. For example, the concerns regarding the NRF management agreement are eliminated due to the termination of that agreement in the three-party transaction. Colony is of the view that the larger scale and scope of the resulting Company will provide a platform that should be successful as the retail fundraising market evolves. The nature of NRF's income and assets should allow the surviving company to qualify as a REIT. While Colony did not consider any specific transaction as an alternative to the Mergers, Colony consistently kept abreast of market opportunities.

During the week of April 24, 2016, at the direction of the NSAM special committee, representatives of Evercore spoke with representatives of Party C to determine whether Party C had made any progress in its efforts to secure potential financing for a transaction with NSAM. Representatives of Evercore also met with Mr. Hamamoto to discuss the merits of pursuing a strategic transaction involving NRF and Colony and related considerations, as well as discussing the possibility of examining potential payments that certain members of NRF's management may receive in a possible change of control transaction.

On April 29, 2016, the NSAM special committee held a meeting. Representatives of Goldman Sachs, Evercore, Fried Frank and Sullivan & Cromwell attended the meeting. During the meeting, representatives of Goldman Sachs and Evercore led separate discussions regarding the following potential alternatives: (i) NSAM on a standalone basis; (ii) a combination of NSAM with NRF and Colony; (iii) a combination with NRF only (although NRF had not submitted a proposal in which NRF and NSAM would be combined); (iv) a transaction involving Party C based on its proposal; and (v) the possibility of restructuring the NRF management agreement, including selling all or part of the NRF management agreement back to NRF. The financial advisors each discussed their respective preliminary financial analysis regarding NSAM on a standalone basis as well as each potential transaction. Goldman Sachs reported that it had approached several other parties in connection with a three-party transaction involving NRF and NSAM, but that none were interested in pursuing such a transaction.

During the April 29, 2016 meeting, the NSAM special committee and its advisors discussed the merits of Party C's proposal and related considerations, as compared to the potential transaction involving NRF and Colony. The NSAM special committee and its advisors also discussed Party C's

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continued difficulty in securing financing for a potential transaction and its request for exclusivity. After a detailed discussion, the NSAM special committee determined that the proposal from Party C was not in the best interests of NSAM's stockholders and instructed Evercore to inform Party C that the NSAM special committee did not intend to pursue Party C's proposal at that time.

On May 3, 2016, the NSAM special committee held a meeting at which representatives of Evercore and Fried Frank and, at the invitation of the NSAM special committee, Mr. Hamamoto and Mr. Tylis were present. At the meeting, the NSAM special committee discussed, among other things, the merits and considerations of a potential three-party transaction involving NSAM, NRF and Colony as compared to a two-party transaction between NRF and NSAM. Among other things, the NSAM special committee discussed:

the substantially increased cost synergies of a three-party transaction, which would allow for immediate accretion for NSAM stockholders;

that the increased scale would potentially enhance investor interest and improve access to capital;

transaction complexity and ease of execution; and

the diversification of the combined company's portfolio.

In addition, the NSAM special committee discussed whether it would be more favorable for the NSAM stockholders to engage in a two-party transaction with NRF first, and then combine with Colony at a later time, but also considered the risk that Colony would not be interested in a subsequent transaction, at all or on an "at-the-market" basis. In response to questions from the NSAM special committee, Mr. Hamamoto and Mr. Tylis expressed their support for a three-party transaction. Mr. Hamamoto and Mr. Tylis also expressed their support for a two-party transaction if the proposed three-party transaction could not be achieved on mutually beneficial terms or could not otherwise be accomplished. After Mr. Hamamoto and Mr. Tylis left the meeting, the NSAM special committee also discussed the interests of senior management in a three-party transaction as compared to a two-party transaction.

On May 5, 2016, the entire Colony board held a regular board meeting. Certain members of Colony's management team that had been invited to participate in the meeting provided an update to the Colony board on the discussions involving Colony, NSAM and NRF regarding a potential three-party transaction involving NSAM, NRF and Colony and the anticipated timeline as well as the fact that the NSAM special committee was evaluating the merits and considerations of a potential three-party transaction involving NSAM, NRF and Colony as compared to a two-party transaction between NRF and NSAM. Among other matters, the Colony board discussed substantial cost synergies, substantially increased scale, potentially resulting in enhanced access to deal flow and diversification of the portfolio and distribution channels. The consensus view of the Colony management team, which was expressed to the Colony board, was support in continuing forward with discussions, both internally and with NSAM and NRF and their respective representatives, regarding a potential transaction.

On May 6, 2016, Goldman Sachs received a phone call from a reporter who claimed to be in possession of information about a potential transaction involving NSAM and Colony and who intended to publish a story reporting such information. NSAM's representatives contacted NRF and Colony to inform them about the call from the reporter and discussed how each party would like to react. That day, the NSAM special committee held a meeting. Representatives of NSAM's management, Goldman Sachs, Evercore, Fried Frank and Sullivan & Cromwell attended the meeting. At the meeting, the NSAM special committee discussed its concern that an inaccurate news article could detrimentally

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impact NSAM's strategic alternatives process, and determined to issue a press release. Representatives of NSAM's management reported that Colony had indicated that it was unwilling to issue a joint statement without an exclusivity arrangement with NSAM and NRF. Accordingly, following discussion, the NSAM special committee approved NSAM entering into an exclusivity arrangement with NRF and Colony that would extend to May 23, 2016, which the parties subsequently entered into. The NSAM special committee also authorized the issuance of a press release announcing that NSAM had "entered into exclusive negotiations based upon a joint proposal from Colony and NRF to NSAM for a tri-party all stock "at-the-market" business combination based on historical trading prices."

Also on May 6, 2016, the NRF special committee held a meeting to discuss the call from the reporter received by Goldman Sachs. At the request of the NRF special committee, members of NRF's management attended the meeting. Representatives of Vinson & Elkins and Venable also attended. The NRF special committee expressed concern regarding the possibility that an inaccurate public report could adversely affect the potential three-party transaction among NRF, NSAM and Colony. Following discussion, the NRF special committee directed NRF's management to prepare a press release to be issued.

Also on May 6, 2016, members of Colony's senior management and Colony's representatives had multiple telephonic conversations with each other as well as with the NRF special committee, the NSAM special committee and their respective representatives with respect to the issuance of a press release stating that the parties were in exclusive negotiations regarding the possibility of a transaction involving NRF, NSAM and Colony.

Following each of the NSAM special committee meeting and the NRF special committee meeting, NSAM, NRF and Colony jointly issued a press release stating that the parties were in exclusive negotiations regarding the possibility of a three-party, at-the-market transaction.

On May 8, 2016, Colony and NRF submitted a letter to NSAM providing further detail regarding the potential cost savings anticipated by a three-party transaction as well as proposed management of the combined companies.

In early May 2016, the NSAM special committee requested that Mr. Hamamoto propose a reduction to the change of control and severance payments that would be owed to members of NSAM's management in connection with the potential transaction pursuant to pre-existing management agreements.

On May 9, 2016, the NSAM special committee held a meeting. Representatives of Evercore and Fried Frank attended the meeting. At the meeting, the NSAM special committee and its advisors discussed recent developments in the strategic alternatives process.

Also on May 9, 2016, the NRF special committee held a meeting. At the request of the NRF special committee, members of NRF's management attended the meeting. Representatives of UBS, Vinson & Elkins and Venable also attended. During the meeting, representatives of UBS provided an update on the potential three-party transaction involving NRF, NSAM and Colony, the ongoing diligence process and potential sources of financing for the potential three-party transaction, including UBS, and the size of any bridge financing facility to be entered into in connection with the three-party transaction.

On May 10, 2016, representatives of NSAM distributed a revised draft of the merger agreement to representatives of NRF and Colony.

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On May 11, 2016, the NRF special committee held a meeting, which was attended by representatives of UBS, Vinson & Elkins and Venable. At the meeting, representatives of Venable and Vinson & Elkins discussed with the NRF special committee extending the exclusivity agreement, previously entered into on May 6, 2016, among NSAM, Colony and NRF, by which the parties would agree to negotiate exclusively regarding the potential three-party transaction. Representatives of Venable noted that Colony had requested the letter in connection with the public announcement of the potential three-party transaction on May 6, 2016. The NRF special committee approved the extension to the exclusivity arrangement.

On May 12, 2016, the NRF special committee held a meeting, which was attended by representatives of Venable. During the meeting, representatives of Venable reminded the NRF special committee that UBS was engaged solely by the NRF special committee. The NRF special committee also discussed UBS's potential role in providing financing in connection with the potential three-party transaction among NSAM, NRF and Colony.

Also on May 12, 2016, Colony, NRF and NSAM entered into a letter agreement pursuant to which the parties agreed to negotiate exclusively regarding the potential three-party transaction until May 23, 2016.

On May 13, 2016, the NSAM board held a meeting. Representatives of NSAM's management, Goldman Sachs, Evercore, Sullivan & Cromwell and Fried Frank attended the meeting. At the meeting, Goldman Sachs and Evercore provided an update on the strategic alternatives process and the bids received as part of the second round, as well as market reaction to the joint press release regarding the potential three-party transaction with NRF and Colony. Sullivan & Cromwell provided an overview of the current status of the transaction structure and key terms.

Also on May 13, 2016, the NRF special committee held a meeting. Representatives of UBS, Vinson & Elkins and Venable attended the meeting. At the meeting, UBS provided an update on the potential three-party transaction involving NSAM, NRF and Colony. The discussion involved, among other matters, the ratio by which shares of NRF common stock would be exchanged for shares of the surviving entity and potential debt financing terms.

Also on May 13, 2016, the NRF board held a meeting, which was attended by all of the members of the NRF board. At the request of the NRF special committee, members of NRF's management attended and representatives of UBS and Vinson & Elkins attended part of the meeting. Representatives of Venable also attended the meeting. At the meeting, UBS provided an update regarding certain financial aspects of the potential three-party transaction involving NRF, NSAM and Colony. The NRF special committee also discussed NRF management's estimates on certain financial metrics, including synergies, potential sources of debt financing and each of Colony's, NRF's and NSAM's earnings results for the first quarter of 2016. Representatives of Vinson & Elkins also led a discussion regarding certain material terms contained in the merger agreement. A representative of Venable reminded the NRF board of the process guidelines. After NRF's management, including the management directors, left the meeting, Ms. Hannaway, Mr. Wesley D. Minami and Mr. Louis J. Paglia, who we refer to as the overlapping directors, as well as Messrs. Schoenherr and Rush, met in executive session. The representatives of UBS and Vinson & Elkins also left the meeting. Representatives of Venable remained throughout the executive session. During the executive session, the remaining directors discussed the matters raised at the meeting.

Over the next several weeks, at the direction of the NSAM special committee, representatives of Evercore and NSAM's management met regularly to negotiate the size and scope of the reductions to NSAM management's compensation arrangements. After negotiations, management and the NSAM special committee agreed that, in connection with the closing of the proposed transaction:

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(i) Messrs. Hamamoto, Tylis and Gilbert would forgo the vesting of 2.6 million shares (and the payment of related accumulated dividends) that would have otherwise vested pursuant to the terms of their performance-based equity awards with a value of approximately \$33 million (based on share prices as of May 31, 2016); (ii) those members of NSAM's management would forgo their rights to receive any cash severance following closing of the proposed transaction; (iii) those members of NSAM's management would be granted combined company equity awards, subject to a one-year vesting period with an aggregate value that is approximately \$52 million less than the estimated cash severance that Messrs. Hamamoto, Tylis and Gilbert would have been entitled to receive if they voluntarily terminated their employment following the closing of the proposed transaction, with the shares received pursuant to such awards subject to an additional one-year post-vesting holding period for Mr. Hamamoto and Mr. Gilbert under certain circumstances; (iv) those members of NSAM's management would agree to an extension of the terms of their respective agreements not to compete with NSAM; and (v) base salary and annual bonus opportunity for services performed for the combined company in 2017 would be eliminated for those members of NSAM's management. Refer to the sections entitled " Interests of NSAM's Directors and Executive Officers in the Mergers" beginning on page 211 of this joint proxy statement/prospectus and " Interests of NRF's Directors and Executive Officers in the Mergers Information for Advisory Vote on Merger-Related Compensation for the NSAM and NRF Named Executive Officers" beginning on page 222 of this joint proxy statement/prospectus for more information.

On May 16, 2016, NSAM received a revised draft of the merger agreement from representatives of NRF and Colony. Between May 16, 2016 and June 2, 2016, representatives of NSAM, NRF and Colony exchanged revised drafts of the merger agreement and other transaction documents and negotiated the terms and conditions of those documents. Among other items, advisors to NSAM, NRF and Colony engaged in negotiations related to the exchange ratios, the conditions upon which the merger agreement would be terminable, when a termination fee would be payable or transaction expenses would be reimbursable, the amount of such termination fee and maximum amount of expenses reimbursable, the restrictions on each Company's operations between signing the merger agreement and consummation of the transactions contemplated therein without the prior written consent of the other Companies, the ability to waive existing standstills if fiduciary or similar duties under applicable law require and debt financing requirements and rights if NSAM as manager of NRF causes NRF to breach such documents.

Also on May 16, 2016, the NRF special committee held a meeting, which was attended by representatives of UBS and Venable. At the meeting, UBS discussed financial aspects of NRF on a standalone basis if the NRF special committee determined not to undertake the potential three-party transaction involving NRF, NSAM and Colony. The NRF special committee discussed the projections, including the assumptions NRF's management used in modeling the projections.

On May 18, 2016, at the direction of the NSAM special committee, representatives of Evercore met with Mr. Hamamoto to discuss certain payments to NSAM's management in the event of a change of control. At the meeting, they discussed potential reductions to the total monetary value of severance payments and performance-based equity compensation that members of NSAM's management otherwise would be entitled to receive in connection with the potential transaction with NRF and Colony. Mr. Hamamoto also discussed the possibility that NSAM's management could agree that the remaining severance payments that members of management would otherwise be entitled to receive (after giving effect to the reduction) would convert into equity of the combined company subject to a vesting period of one year.

Also on May 18, 2016, the NRF special committee held a meeting, which representatives of Venable attended. At the meeting, a representative of Venable discussed the current quorum and director approval requirements for a transaction under Maryland law and NRF's bylaws and the ability

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of the NRF board to amend the bylaws to reduce the number of directors necessary to constitute a quorum at any meeting of the NRF board from a majority of the directors to one-third of the directors then serving on the NRF board. A representative of Venable explained that reducing the quorum requirement to one-third would provide an option to the directors who sit on both the NRF board and the NSAM board to be able to recuse themselves without impacting the vote on the potential three-party transaction. Following discussion, the NRF special committee directed Venable to raise the possibility of reducing the quorum requirement with the other NRF directors to receive their views, which it later did on May 23, 2016.

On May 19, 2016, the NRF special committee held a meeting. In attendance were representatives of UBS, Vinson & Elkins and Venable. At the meeting, representatives of Vinson & Elkins reviewed material provisions of the merger agreement and representatives of UBS discussed, among other things: (i) an overview of Colony, NSAM and NRF as standalone entities; (ii) the proposed financial terms of the potential three-party transaction; and (iii) the benefits and considerations of undertaking a potential three-party transaction involving NSAM, NRF and Colony rather than a potential two-party transaction between NSAM and NRF. Representatives of Vinson & Elkins and Venable also reviewed the stockholder votes required to approve the potential three-party transaction.

Thereafter, on May 20, 2016, the NSAM special committee held a meeting. Representatives of Evercore and Fried Frank attended the meeting. At the meeting, the NSAM special committee discussed making a counterproposal to the bid received from Colony and NRF in which the exchange ratio would imply a premium to NSAM's stock price. In addition, in light of the willingness of NSAM's management to substantially reduce the amount of overall severance and forgo cash severance, the counterproposal would permit NSAM to pay holders of NSAM stock a special cash dividend.

Later in the day, Mr. Cummings, the chairman of the NSAM special committee, spoke with Mr. Schoenherr to inform him that the NSAM special committee was negotiating a potential reduction in severance payments to NSAM's management pursuant to pre-existing executive compensation arrangements in connection with a change-of-control transaction involving NRF and Colony.

On May 22, 2016, representatives of Evercore met with Mr. Barrack and Mr. Saltzman to discuss certain open items in connection with the transaction as well as NSAM's desire that its stockholders receive a premium given the proposed composition of management and the board of directors of the combined company. They also discussed the rationale for NSAM stockholders realizing the benefits associated with the willingness of NSAM's management to substantially reduce the amount of overall severance and forgo cash severance pursuant to pre-existing executive compensation arrangements through the payment by NSAM of a special dividend.

On May 23, 2016, the NRF special committee held three meetings. Representatives of Vinson & Elkins and Venable attended all three meetings and representatives of UBS attended two of the three meetings. At the meetings, a representative of UBS updated the committee on the status of: (i) due diligence review; (ii) extension of the exclusivity agreement with Colony and NSAM; and (iii) potential payments to members of NRF's management in a potential three-party transaction. Representatives of Venable and UBS also discussed with the NRF special committee the possibility of pursuing a two-party transaction with NSAM. The NRF committee reaffirmed its judgment that a three-party transaction involving NRF, NSAM and Colony remained in the best interests of NRF, but also confirmed that it would be interested in pursuing a potential two-party transaction if the potential three-party transaction was not viable and directed representatives of Venable and NRF to relay that willingness to NSAM's advisors, which was later done by a representative of Venable to a representative of Fried Frank and by a representative of UBS to a representative of Evercore.

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Also on May 23, 2016, at the request of the NRF special committee, representatives of Vinson & Elkins and Venable met with the overlapping directors to discuss potentially amending the bylaws to reduce the number of directors necessary to constitute a quorum at any meeting of the NRF board from a majority of the directors to one-third of the directors then serving on the NRF board. A representative of Venable stated that reducing the quorum requirement to one-third would provide an option to the directors on both the NRF board and the NSAM board to recuse themselves without impacting the vote on the potential three-party transaction. A representative of Venable also noted that the NRF special committee directed Venable to obtain the views of the overlapping directors on this point, which was later decided on May 29, 2016.

On May 24, 2016, NSAM, NRF and Colony extended the exclusivity agreement until May 27, 2016. In addition, on May 24, 2016, a privately held company, which we refer to as private company 1, contacted Goldman Sachs to express its interest in buying assets if any of the combining companies were seeking to divest assets in connection with the transaction.

On May 25, 2016, the NRF special committee held a meeting attended by representatives of UBS and Venable. At the meeting, the NRF special committee discussed with its advisors business items to be negotiated at an upcoming meeting among Mr. Hamamoto, Mr. Tylis, Mr. Barrack, Mr. Saltzman and representatives of Evercore and whether a representative of UBS or the NRF special committee should be present at such meeting, which was determined to not be advisable. At this meeting the NRF special committee also determined that Mr. Rush should contact Mr. Saltzman directly to discuss certain business matters. UBS also provided an update regarding the potential three-party transaction involving NSAM, NRF and Colony.

On May 26, 2016, Mr. Rush had a telephone conversation with Mr. Saltzman regarding ownership of the combined company and certain tax considerations.

Also on May 26, 2016, the NRF special committee held a meeting. At the request of the NRF special committee, members of NRF's management attended part of the meeting. Representatives of UBS, Vinson & Elkins and Venable also attended. At the meeting, Ms. Hess reviewed the accounting diligence that had been performed on NSAM and Colony. Mr. Rush provided an update to the NRF special committee regarding the telephone conversation he had with Mr. Saltzman earlier that day.

On May 27, 2016, representatives of Evercore met with Mr. Hamamoto, Mr. Tylis, Mr. Saltzman and Mr. Barrack to discuss the NSAM special committee's request that NSAM be permitted to pay a \$125 million cash dividend to NSAM's stockholders prior to closing the proposed transaction in light of the willingness of NSAM's management to substantially reduce the amount of overall severance and forgo cash severance pursuant to pre-existing executive compensation arrangements. During that meeting, the participants also discussed potential exchange ratios in connection with the proposed transaction, based on volume weighted average prices of the three Companies. Following lengthy prior discussions with and among NSAM's and NRF's advisors, Mr. Barrack proposed that Colony stockholders would own 33.50% of the combined company. After further negotiations with NSAM's and NRF's advisors, the Colony stockholders' percentage was subsequently reduced to 33.25% and the parties decided that the remainder of the allocation of the equity be negotiated between NSAM and NRF. Representatives of Evercore subsequently had a discussion with UBS to negotiate the ownership percentage that NRF would receive in the proposed transaction.

Also on May 27, 2016, the NSAM special committee held a meeting. Representatives of Evercore and Fried Frank attended the meeting. At the meeting, representatives of Evercore and Fried Frank provided the NSAM special committee with an update on negotiations with NRF and Colony, including discussions regarding ownership of the combined company.

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On May 27, 2016, the NRF special committee held a meeting. Representatives of UBS, Vinson & Elkins and Venable attended the meeting. At the meeting, representatives of UBS provided the NRF special committee with an update on negotiations with NSAM and Colony, including discussions regarding ownership of the combined company.

On May 29, 2016, the NRF board held a meeting. At the request of the NRF special committee, members of NRF's management attended the meeting. Representatives of Vinson & Elkins and Venable also attended the meeting. At the meeting, a representative of Venable reminded the members of the NRF board of their prior discussions regarding the requirement under Maryland law that the NRF board approve the proposed three-party transaction and the option to reduce the quorum for director meetings to provide an option to the directors on both the NRF board and the NSAM board to be able to recuse themselves without impacting the vote on the potential three-party transaction. The NRF board unanimously approved an amendment and restatement of the NRF bylaws to reduce the number of directors necessary to constitute a quorum at any meeting of the NRF board from a majority of the directors to one-third of the directors then-serving on the NRF board.

On May 30, 2016, the NSAM board held a meeting to discuss the strategic alternatives process. Representatives of Goldman Sachs, Evercore, Sullivan & Cromwell and Fried Frank attended the meeting. Immediately after the meeting was called to order, Ms. Hannaway and Messrs. Hamamoto, Minami, Paglia and Tylis recused themselves from participating in the meetings of the NSAM board in which the NSAM board deliberated and voted on the merger agreement and the transactions contemplated by the merger agreement in light of their dual roles as directors of NRF and NSAM. Following the recusal and departure of Ms. Hannaway and Messrs. Hamamoto, Minami, Paglia and Tylis, the meeting was deemed a joint meeting of the NSAM board and NSAM special committee given that the remaining directors of the NSAM board attending were also the members of the NSAM special committee. During the meeting, it was discussed that the parties had reached a preliminary agreement with respect to the ownership percentage of the combined company that would be allocated to stockholders of Colony, but that the parties had not yet agreed on the pro forma ownership split between NSAM and NRF. In addition, the NSAM special committee and its advisors discussed a potential agreement to be entered into between NSAM and NRF relating to the payment of termination fees by NRF under certain circumstances, among other things.

In addition, during the May 30, 2016 joint meeting, representatives of Sullivan & Cromwell and Fried Frank reviewed the fiduciary duties of the directors and the key provisions of the draft merger agreement, including the deal-protection provisions of the merger agreement. At the meeting, representatives of each of Goldman Sachs and Evercore provided an overview of the valuation analyses performed by each of them, including their respective financial analysis of the proposed transaction with NRF and Colony as well as each Company involved on a standalone basis. At the request of the directors, Messrs. Hamamoto, Tylis and Lieberman joined the meeting to discuss, among other things, NSAM's management's comfort with cost savings projections and an update on reverse due diligence on Colony.

On May 30, 2016, the NRF special committee held a meeting. Representatives of UBS, Vinson & Elkins and Venable attended the meeting. At the meeting, a representative of Venable gave a presentation regarding the duties under Maryland law of the members of the NRF board. A representative of UBS noted that the parties had reached a preliminary agreement with respect to the ownership percentage of the combined company that would be allocated to stockholders of Colony, but that the parties had not yet agreed on the pro forma ownership split between NSAM and NRF. UBS discussed various financial aspects of the proposed transaction with the NRF special committee. Also at the meeting, representatives of Vinson & Elkins reviewed the terms of the merger agreement and amounts that members of management would receive in connection with the proposed transaction, including change of control payments and accelerated vesting of equity awards. Representatives of

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Vinson & Elkins also reviewed the terms of a potential agreement to be entered into between NRF and NSAM relating to the payment of termination fees by NRF under certain circumstances, among other things.

Also on May 30, 2016, the NRF board held a meeting. At the request of the NRF special committee, members of NRF's management attended the meeting. Representatives of UBS, Vinson & Elkins and Venable also attended the meeting. A representative of Venable notified the NRF board that a meeting of the NRF board was scheduled for May 31, 2016 for purposes of considering the potential three-party transaction. Each of Messrs. Hamamoto, Minami and Paglia and Ms. Hannaway expressed their intention to recuse themselves from the current meeting and all other meetings considering the potential three-party transaction because of their overlapping positions as members of each of the NRF board and the NSAM board. Mr. Tylis expressed his intention to recuse himself from any approval at such meeting but stated that he would attend the meeting for purposes of obtaining a quorum. Mr. Hamamoto confirmed that he was available to answer any questions that the members of the NRF special committee had, but would also recuse himself from any approval at such meeting. Thereafter, Messrs. Hamamoto, Minami and Paglia and Ms. Hannaway left the meeting. A representative of Venable noted that all of the agenda items for the current NRF board meeting were addressed at the NRF special committee meeting that preceded the NRF board meeting. The members of the NRF board still in attendance, Messrs. Schoenherr, Rush and Tylis, determined that such matters did not need to be re-addressed at the NRF board meeting because only members of the NRF special committee, who already had considered the same agenda items, would do so at the NRF board level.

On May 31, 2016, the NRF special committee held two meetings. Representatives of UBS, Vinson & Elkins and Venable attended both meetings. At the first NRF special committee meeting on May 31, 2016, UBS reviewed the status of negotiations regarding the pro forma ownership split between NSAM and NRF. The NRF special committee directed UBS to negotiate for increased ownership by NRF stockholders. At the second meeting on May 31, 2016, the NRF special committee received a presentation regarding the due diligence conducted and a summary of the terms of the proposed credit facility to be entered into in connection with the potential three-party transaction, including acknowledgement that UBS was participating in providing the facility. The NRF special committee discussed the status of negotiations among the parties. In addition, the NRF special committee reviewed and discussed, among other matters, the following items: (i) the transaction expenses, including executive change of control payments; (ii) the risks to NRF posed by the potential three-party transaction; (iii) the business plan for the combined company; (iv) impact of the announcement of the potential three-party transaction on the NRF stock price; (v) the status of the proposed termination fees, including the terms of a potential agreement to be entered into between NRF and NSAM relating to the payment by NRF of termination fees under certain circumstances, among other things; and (vi) the doubtfulness of bidders for NRF, without a simultaneous acquisition of NSAM, given NRF and NSAM's relationship under the NRF management agreement.

Also on May 31, 2016, the entire Colony board convened to discuss the potential three-party transaction involving NSAM, NRF and Colony. A representative of Hogan Lovells attended the meeting and reviewed with the directors their duties as directors of a Maryland corporation in a transaction of this nature and responded to questions raised by certain of the directors. At the end of this discussion, the representative of Hogan Lovells excused himself from the meeting. The Colony board discussed the status of negotiations among the parties and discussed in detail the status of the proposed transaction, the terms of the transaction and the business of each of the parties. Colony's financial advisor, BofA Merrill Lynch, discussed with the Colony board certain financial aspects of the potential transaction.

On June 1, 2016, representatives of Evercore, acting at the direction of the NSAM special committee, met with representatives of NRF and representatives of Colony to further discuss, among

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other things, the proposed ownership of the combined company. In addition, representatives of Evercore proposed increasing the special dividend that NSAM would be permitted to pay to NSAM stockholders to \$145 million and decreasing the percentage of the combined company that would be held by stockholders of Colony. In addition, on or about June 1, 2016, another privately held company substantially smaller than Colony, NSAM and NRF, which we refer to as private company 2, contacted NSAM and expressed its interest in a potential three-party transaction with NSAM and NRF.

Also on June 1, 2016, the NSAM board and the NSAM special committee held a joint meeting, and only directors who were members of the NSAM special committee attended the meeting. As noted above, Ms. Hannaway and Messrs. Hamamoto, Minami, Paglia and Tylis had determined to recuse themselves from participating in the meetings of the NSAM board in which the NSAM board deliberated and voted on the merger agreement and the transactions contemplated by the merger agreement. Representatives of Goldman Sachs, Evercore, Sullivan & Cromwell and Fried Frank attended the meeting. The NSAM board and special committee and their respective advisors discussed several key open issues relating to the merger agreement, including relative ownership percentages of the combined company. In addition, the NSAM special committee determined, following discussions with Goldman Sachs and Evercore, that it was not in the best interests of NSAM's stockholders to pursue the inbound inquiries received on May 24, 2016 from private company 1 and on or about June 1, 2016 from private company 2. In particular, it was the view of NSAM special committee that a transaction with private company 2 would be less attractive to NSAM than the three-party transaction involving NRF and Colony because private company 2 was much smaller than Colony, unlike Colony, it did not have publicly traded equity securities, and the NSAM special committee believed that pursuing a transaction with private company 2 at that time would likely result in the loss of the proposed transaction with Colony. The NSAM special committee also considered their conclusion that the draft merger agreement under consideration would not preclude or impede a financially capable and strategically interested third party from making a superior proposal following announcement of a transaction with NRF and Colony. Also, at the request of the directors, Mr. Tylis briefly joined the meeting to describe the proposed compensation arrangements whereby he, Mr. Gilbert and Mr. Hamamoto would work for no compensation in 2017. The joint meeting was adjourned to June 2 to permit Evercore to seek to finalize the financial terms of the Mergers.

On June 1, 2016, the NRF special committee held four meetings. Representatives of Vinson & Elkins and Venable attended each meeting. Representatives of UBS attended three of the four meetings. The NRF special committee discussed the draft press release relating to the potential three-party transaction and received updates on the status of negotiations, including: (i) the ownership of the combined company; (ii) terms of the tax protection agreement; (iii) the proposed termination fees; and (iv) the severance package payable to non-executive employees of NRF and acceleration of vesting of their equity awards.

Also on June 1, 2016, the Colony board held a meeting. The Colony board discussed: (i) amendments to the employment agreements of certain Colony employees; (ii) the terms of an amendment to the Contribution and Implementation Agreement, dated as of December 23, 2014, entered into in connection with Colony becoming an internally managed company when it acquired its external manager as part of a combination transaction on April 2, 2015; and (iii) a tax protection agreement in connection with the merger including Colony, Mr. Saltzman and an affiliate of Mr. Barrack.

Also on June 1, 2016, representatives of Evercore again met with Mr. Hamamoto, Mr. Tylis, Mr. Saltzman and Mr. Barrack to discuss the amount of the cash dividend that NSAM would be permitted to pay to NSAM's stockholders prior to closing as well as the exchange ratio in connection with the proposed transaction.

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On June 2, 2016, representatives of Evercore, acting at the direction of the NSAM special committee, met with representatives of NRF and representatives of Colony to discuss, among other things, the proposed ownership of the combined company. Colony rejected any decrease in its ownership and the proposal to increase the special dividend payable to stockholders of NSAM by \$20 million and Colony expressed it was unwilling to proceed with the transaction on such economic terms.

Also on June 2, 2016, the NSAM board and the NSAM special committee continued its joint meeting, and only directors who were members of the NSAM special committee attended the meeting. Representatives of Goldman Sachs, Evercore, Sullivan & Cromwell and Fried Frank attended the meeting. During the meeting, it was noted that based on further negotiations of the exchange ratio, NSAM stockholders would own 32.85% of the combined company after the proposed transaction and based on further conversations with Colony and NRF, NSAM would be permitted to declare for payment to its stockholders a \$128 million cash dividend. A comparison of the standalone and pro forma valuations of NSAM, Colony and NRF were also discussed by the NSAM special committee's advisors.

Representatives of Goldman Sachs presented to the NSAM board regarding financial analysis summarized below in the section entitled "Opinion of NSAM's Financial Advisor" and then provided to the NSAM board the oral opinion of Goldman Sachs to the effect that, as of June 2, 2016, subject to the assumptions, limitations and qualifications set forth therein, taking into account the original NSAM special dividend, the NRF merger and the Colony merger, the NSAM exchange ratio was fair from a financial point of view to the holders (other than NRF, Colony and their respective affiliates) of NSAM common stock. Representatives of Evercore presented to the NSAM special committee regarding its financial analysis summarized below in the section entitled "Opinion of the NSAM Special Committee's Financial Advisor" and then provided the NSAM special committee its oral opinion to the effect that, as of June 2, 2016, subject to the assumptions, limitations and qualifications set forth therein, after giving effect to the original NSAM special dividend, the NRF exchange ratio, the Colony class A exchange ratio and the Colony class B exchange ratio were fair, from a financial point of view, to the holders of the NSAM common stock.

At the conclusion of its June 2, 2016 meeting, after full discussion, the NSAM special committee, by a unanimous vote: (i) determined that each of the merger agreement, the transactions contemplated by the merger agreement, including the Mergers, the Colony NorthStar charter and the other related matters and agreements described in this joint proxy statement/prospectus are advisable, fair to and in the best interests of NSAM and its stockholders; (ii) recommended that the NSAM board approve, adopt and declare advisable the merger agreement, the transactions contemplated by the merger agreement, including the Redomestication merger, the Colony NorthStar charter and other related matters and agreements; (iii) recommended that the NSAM board submit for consideration and adoption or approval by NSAM stockholders at the NSAM special meeting the Redomestication merger, the merger agreement, the Colony NorthStar charter and other related matters; and (iv) recommended that the NSAM board recommend to NSAM stockholders that they vote in favor of the adoption or approval of such matters. Immediately thereafter, the NSAM board (with Messrs. Cummings, Junquera and Metz being the only directors of NSAM in attendance) following the recommendation of the NSAM special committee: (i) determined that each of the merger agreement, the transactions contemplated by the merger agreement, including the Mergers, the Colony NorthStar charter and the other related matters and agreements are advisable, fair to and in the best interests of NSAM and its stockholders; and (ii) approved, adopted and declared advisable the Redomestication merger, the merger agreement, the Colony NorthStar charter and other related matters, as well as the other agreements related to the foregoing.

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On June 2, 2016, the NRF special committee held a meeting. Representatives of UBS, Vinson & Elkins and Venable attended the meeting. During the meeting, it was noted that based on the further negotiation of the exchange ratio, NRF stockholders would own 33.9% of the combined company after the proposed transaction. A representative of Vinson & Elkins reviewed the material terms of the merger agreement, including updates thereto. Representatives of UBS presented to the NRF special committee its financial analysis summarized below in the section entitled "Opinion of the NRF Special Committee's Financial Advisor" and then provided to the NRF special committee the oral opinion of UBS to the effect that, subject to the assumptions, limitations and qualifications set forth therein, taking into account the Redomestication merger, the New NRF Holdco merger and the Colony merger, the NRF exchange ratio provided for in the NRF merger was fair, from a financial point of view, to the holders (other than NSAM, Colony NorthStar, Colony and their respective affiliates) of NRF common stock. Representatives of UBS also provided an overview of a letter, dated June 2, 2016 and previously provided to the NRF special committee, detailing the conflicts of interest arising from UBS's providing financing in connection with the three-party transaction while also serving as financial advisor to the NRF special committee.

At the conclusion of its June 2, 2016 meeting, after full discussion, the NRF special committee, by a unanimous vote: (i) determined that each of the merger agreement, the Mergers and related transactions contemplated by the merger agreement are advisable and in the best interests of NRF; (ii) recommended that the NRF board approve NRF's entry into the merger agreement, the transactions contemplated by the merger agreement and other related agreements as described in this joint proxy statement/prospectus; and (iii) recommended that the NRF board direct that the New NRF Holdco merger and related transactions contemplated by the merger agreement be submitted for consideration at a meeting of the NRF common stockholders, and that the NRF board recommend that the holders of NRF common stock vote to approve the same.

After the NRF special committee meeting, on June 2, 2016, the NRF board continued a meeting that was originally convened on June 1, 2016 but adjourned to June 2, 2016. As previously noted, Ms. Hannaway and Messrs. Hamamoto, Minami and Paglia had determined to recuse themselves from participating in the meetings of the NRF board in which the NRF board deliberated and voted on the merger agreement and the transactions contemplated by the merger agreement and did not attend the meeting. Mr. Tylis attended the meeting but stated his intention to abstain from voting on the approval of the potential three-party transaction. Representatives of UBS, Vinson & Elkins and Venable attended the meeting. The NRF board (with Messrs. Schoenherr and Rush being the only directors of NRF who voted) following the recommendation of the NRF special committee: (i) determined that each of the merger agreement, the Mergers and related transactions contemplated by the merger agreement are advisable and in the best interests of NRF; (ii) approved, subject to any stockholder approval required by law, NRF's entry into the merger agreement, the transactions contemplated by the merger agreement and other related agreements as described in this joint proxy statement/prospectus and authorized NRF to execute and deliver the merger agreement and the other related agreements described in this joint proxy statement/prospectus; and (iii) directed that the New NRF Holdco merger and related transactions contemplated by the merger agreement be submitted for consideration at a meeting of the NRF common stockholders, with the recommendation that holders of NRF common stock vote to approve the same.

On June 2, 2016, the entire Colony board held a meeting. Representatives of BofA Merrill Lynch attended the meeting. Colony's internal counsel reviewed the material terms of the merger agreement and the other transaction documents, in particular the final proposed terms of the transaction, including the exchange ratio applicable to the Colony class A common stock and the Colony class B common stock. BofA Merrill Lynch updated the Colony board regarding BofA Merrill Lynch's material relationships and prior engagements with each of NRF, NSAM and Colony, which were previously disclosed on April 20, 2016 and May 31, 2016. Also at this meeting, BofA Merrill

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Lynch reviewed its financial analysis of the Colony class A exchange ratio with the Colony board and rendered an oral opinion, confirmed by delivery of a written opinion dated June 2, 2016, to the Colony board to the effect that, as of the date of such opinion and based on and subject to various assumptions made, procedures followed, factors considered and limitations and qualifications on the review undertaken described in such opinion, the Colony class A exchange ratio provided for in the Colony merger was fair, from a financial point of view, to the holders of Colony class A common stock.

At the conclusion of the June 2, 2016 meeting, after full discussion, the Colony board, by unanimous vote: (i) determined that the Colony merger is advisable and in the best interests of Colony and recommended that its stockholders approve the Colony merger and related transactions contemplated by the merger agreement to the extent applicable to Colony; and (ii) approved Colony's entry into the merger agreement, the transactions contemplated by the merger agreement and other related agreements as described in this joint proxy statement/prospectus.

Shortly before midnight on June 2, 2016, NSAM, NRF and Colony entered into the merger agreement.

Prior to the opening of trading on June 3, 2016, NSAM, NRF and Colony issued a joint press release announcing the execution of the merger agreement and the transactions contemplated thereby.

Following the announcement, representatives of NSAM and the NSAM special committee engaged in discussions with certain NSAM stockholders regarding the proposed transaction, including MSD Capital, L.P. and MSD Partners, L.P. and certain of their respective affiliates, that had publicly expressed concerns regarding the proposed transaction.

As a result of these discussions, and after discussion among representatives of Colony and the special committees of NSAM and NRF and members of management of NSAM and NRF, the parties agreed to make the following changes to the governance structure of Colony NorthStar:

Colony NorthStar Board: The size of the Colony NorthStar board upon completion of the Mergers will be reduced from 13 to 10 members, of whom five will be jointly designated by NSAM and NRF and five will be designated by Colony. The five members of the Colony NorthStar board designated by NSAM and NRF will consist of independent industry veterans Jon A. Fosheim and Douglas Crocker II, one current independent director of NSAM, one current independent director of NRF and Mr. Hamamoto. Mr. Hamamoto has agreed to tender his resignation as a director of Colony NorthStar in the event that his equity interest in Colony NorthStar falls below 50% of his equity interest immediately after the closing of the Mergers. In addition, Colony has announced that four of its five designees will be current independent directors of Colony. Accordingly, 80% of the initial members of the Colony NorthStar board will be independent directors following consummation of the Mergers.

Subtitle 8 Opt-Out: The Colony NorthStar charter will now include a provision opting out of all of the provisions of Subtitle 8 that would have permitted the Colony NorthStar board to elect, without stockholder approval, to adopt a classified board structure and other anti-takeover provisions.

Majority Voting Standard: In uncontested elections, members of the Colony NorthStar board will be elected by a majority of the votes cast for and against such director, with incumbent directors who are not re-elected being required to submit a resignation; a plurality vote standard will apply to contested elections.

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Authorized Shares: Amendments to the Colony NorthStar charter to increase the total number of shares of capital stock that Colony NorthStar is authorized to issue will require the approval of Colony NorthStar stockholders. The prior charter provision permitted under Maryland law that would have permitted the Colony NorthStar board to unilaterally increase the number of authorized shares will be excluded.

Removal and Replacement of Directors: Stockholders of Colony NorthStar will have the right to remove directors at any Colony NorthStar stockholders meeting, with or without cause, by a vote of a majority of the voting power of Colony NorthStar common stock. This replaces the prior requirement of a two-thirds vote and "cause" for removal. Stockholders will also have the right to fill vacancies resulting from the removal of directors.

Special Meetings: Holders of 25% (rather than the majority previously contemplated) of the outstanding voting power of Colony NorthStar common stock will be able to require Colony NorthStar's Secretary to call a special meeting of its stockholders.

Appraisal Rights: The charter provision permitted under Maryland law that would have eliminated appraisal rights for dissenting Colony NorthStar stockholders will be excluded from the Colony NorthStar charter. An additional appraisal right that follows Delaware law will be added.

Amendment of Bylaws: Stockholders of Colony NorthStar will be permitted to amend the Colony NorthStar bylaws. The Colony NorthStar board will not have the authority to amend any bylaw amendment adopted by the Colony NorthStar stockholders without stockholder approval. The prior charter provision permitted under Maryland law that precluded stockholders from amending the bylaws will be eliminated.

For a more detailed description of the governance structure of Colony NorthStar following the Mergers, refer to the sections entitled "Certain Provisions of Maryland Law and of the Colony NorthStar Charter and the Colony NorthStar Bylaws" beginning on page 366 and "Comparison of Rights of Stockholders of NSAM, Colony and NRF with the Rights of Stockholders of Colony NorthStar" beginning on page 373 of this joint proxy statement and prospectus.

In addition, the special cash dividend that NSAM is permitted to pay and, assuming the Mergers are completed, will pay to its stockholders will increase from \$128 million to \$228 million. This increase is attributable to certain pre-closing cash generation activities. In addition, as further described in the section entitled "The Mergers Interests of NSAM's Directors and Executive Officers in the Mergers The NSAM Executive Officers Forego All Cash Severance and 2017 Post-Merger Compensation and Receive Replacement Equity Awards with Significantly Reduced Value", the NSAM executive officers have also agreed to set a share price floor of \$15 per share for purposes of determining, and thereby potentially reducing, the number of Colony NorthStar shares to be issued to those NSAM executive officers in respect of certain of their change of control payments.

At a meeting held on October 10, 2016, after discussion with its legal and financial advisors and with NSAM management, the NSAM special committee, by a unanimous vote, re-approved the determinations and recommendations made by it at its June 2, 2016 meeting based on the amended terms of the merger agreement and related transactions and approved the changes to the terms of the transaction described above and NSAM's entry into agreements related thereto. Immediately thereafter, the NSAM board (with Messrs. Cummings, Junquera and Metz being the only directors of NSAM in attendance) following the recommendation of the NSAM special committee, re-approved the determinations and recommendations made by it at its meeting held on June 2, 2016 based on the

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amended terms of the merger agreement and related transactions and approved the changes to the terms of the transaction described above and NSAM's entry into agreements related thereto.

At a meeting held on October 13, 2016, after discussion with Colony management, the Colony board, by unanimous vote, reapproved the determinations and recommendations made by it at its June 2, 2016 meeting based on the amended terms of the merger agreement and related transactions and approved the amendments to the merger agreement described above and Colony's entry into an amendment to the merger agreement relating thereto.

Between June 8, 2016 and September 26, 2016, the NRF special committee met four times and discussed (i) certain administrative matters relating to the Mergers, (ii) public announcements opposing the Mergers by certain stockholders of NSAM, including MSD Partners, L.P. and MSD Capital, L.P. and certain of their respective affiliates, which we refer to, collectively as MSD, (iii) potential changes to the governance structure of Colony NorthStar following the Mergers and (iv) an increase in the amount of the special cash dividend that NSAM is permitted to declare prior to the closing of the Mergers for payment to its stockholders.

On October 5, 2016, the NRF special committee held a meeting, which was attended by representatives of Saratoga Proxy Consulting LLC, UBS, Vinson & Elkins and Venable. At the meeting, representatives of UBS provided an update regarding NSAM's discussions with MSD and representatives of Venable provided a summary of the potential changes to the governance structure of Colony NorthStar following the closing of the Mergers.

On October 8, 2016, the NRF special committee held a meeting. Representatives of UBS, Saratoga Proxy Consulting LLC, Vinson & Elkins and Venable also attended the meeting. At the meeting, the NRF special committee considered increasing the amount of the special cash dividend that NSAM is permitted to declare prior to the closing of the Mergers for payment to its stockholders. Members of NRF's management joined the meeting at the request of the NRF special committee and confirmed their willingness to set a share price floor of \$15 per share for purposes of determining the number of Colony NorthStar shares to be issued to management in respect of certain of their change of control payments, and thereby potentially reducing the values of their change of control payments. The NRF special committee also discussed the fairness opinion provided by UBS on June 2, 2016, and discussed with UBS, Venable, Vinson & Elkins and members of NRF's management the risks related to not reaching an agreement with MSD. After members of NRF's management left the meeting, the NRF special committee went into executive session to discuss the foregoing. During the executive session, the NRF special committee authorized UBS to discuss an increase in the amount of the special cash dividend that NSAM is permitted to declare prior to the closing of the Mergers for payment to its stockholders within a specified range, assuming pro rata participation between Colony, NRF and NSAM, as well as certain change of control severance payment concessions by members of NRF's management.

On October 10, 2016, the NRF special committee and the NRF board held a joint meeting. Representatives of UBS, Vinson & Elkins and Venable attended the meeting. Members of NRF's management attended part of the meeting at the request of the NRF special committee. Mr. Hamamoto attended part of the meeting at the request of the NRF special committee, but did not participate in the deliberations of the NRF board or vote on the approval of any matters. Messrs. Minami and Paglia and Ms. Hannaway did not attend the meeting. At the meeting, representatives of UBS provided a summary of the meeting between representatives of MSD, UBS, Evercore and Colony earlier that day, and noted that the parties had discussed providing for an additional \$100 million special cash dividend that NSAM is permitted to declare prior to the closing of the Mergers for payment to its stockholders, certain changes to the governance structure of Colony NorthStar following the Mergers and a floor of \$15 per share for change of control payments for

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certain members of NRF's and NSAM's management and that MSD was considering those proposed changes. At the request of the NRF special committee, members of NRF's management provided details regarding the proposed governance changes. The participants then discussed the payment of dividends by the Companies for the fourth quarter of 2016. Members of NRF's management noted that NRF and NSAM would likely not pay a fourth quarter 2016 dividend due to the expected timing of the closing of the Mergers. After NRF's management (including Mr. Hamamoto) left the meeting, the NRF special committee and the NRF board went into executive session to discuss the foregoing, including the information provided by NRF's management. During the executive session, the NRF special committee approved administrative matters related to the NRF special meeting. The NRF special committee and NRF board then adjourned the joint meeting until noon on October 11, 2016.

At noon on October 11, 2016, the NRF special committee and NRF board reconvened the joint meeting that began on October 10, 2016. Representatives of UBS, Vinson & Elkins and Venable attended the reconvened meeting. At the meeting, representatives of UBS discussed the financial aspects of NRF on a standalone basis as compared to Colony NorthStar. Representatives of UBS led a discussion regarding the effect of the increase in the amount of the special cash dividend that NSAM is permitted to declare prior to the closing of the Mergers for payment to its stockholders and the payment by Colony of a fourth quarter 2016 dividend on the value of the Mergers to NRF stockholders. The NRF special committee and NRF board then adjourned the joint meeting until 3:30 p.m. on October 11, 2016.

At 3:30 p.m. on October 11, 2016, the NRF special committee and NRF board reconvened the joint meeting that was adjourned earlier that day and the night before. Representatives of UBS, Vinson & Elkins and Venable attended the reconvened meeting. Members of NRF's management attended part of the reconvened meeting at the request of the NRF special committee. Mr. Hamamoto also attended part of the reconvened meeting at the request of the NRF special committee, but did not participate in the deliberations of the NRF board or vote on the approval of any matters. Messrs. Minami and Paglia and Ms. Hannaway did not attend the meeting. At the meeting, representatives of UBS confirmed that MSD had accepted the proposed changes delivered on October 10, 2016, and members of NRF's management confirmed that MSD would enter into a voting agreement confirming that it would vote any and all of its shares of NSAM common stock, Colony common stock and NRF common stock of which it was the beneficial owner, if any, as of the applicable special meeting record date in favor of each of the proposals to be presented at the applicable special meeting. The NRF special committee also discussed the fourth quarter 2016 dividend that Colony is expected to make and the fairness opinion provided by UBS on June 2, 2016. Representatives of Vinson & Elkins and Venable also reviewed proposed changes to the disclosure contained in this joint proxy statement/prospectus. After NRF's management (including Mr. Hamamoto) left the meeting, the NRF special committee and the NRF board went into executive session to discuss the foregoing, including the information provided by NRF's management. The NRF special committee discussed and revisited its prior discussion regarding the advantages and disadvantages of the Mergers, including after giving effect to the proposed changes. During the executive session, the NRF special committee recommended and the NRF board approved an amendment to the merger agreement providing, among other things, a \$100 million increase to the special cash dividend that NSAM is permitted to declare prior to the closing of the Mergers for payment to its stockholders, the proposed changes to the governance structure of Colony NorthStar following the closing of the Mergers and a floor of \$15 per share for certain change of control payments for certain members of NRF's and NSAM's management and NSAM entering into a voting agreement with MSD.

On October 16, 2016, NSAM entered into a letter agreement, which we refer to as the MSD voting agreement, with MSD, pursuant to which MSD agreed, among other things, to vote in favor of each of the proposals presented at the applicable special meeting to be held in connection with the

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Mergers any and all of its shares of NSAM common stock, Colony common stock and NRF common stock of which it was the beneficial owner as of the applicable special meeting record date. A copy of the MSD voting agreement is attached as Annex L to this joint proxy statement/prospectus and is incorporated by reference herein. Refer to the section entitled "Other Related Agreements The Voting Agreements The MSD Voting Agreement" beginning on page 308 of this joint proxy statement/prospectus.

Reasons for the Mergers and Recommendation of the NSAM Board

In reaching its decision, in the case of the NSAM special committee, to recommend the adoption and approval of, and in the case of the NSAM board, to adopt and approve, the Redomestication merger, the merger agreement (including as amended), the Colony NorthStar charter and other related matters as described in this joint proxy statement/prospectus, as well as the other agreements related to the foregoing, the NSAM special committee and the NSAM board consulted with both the NSAM special committee's and NSAM's legal and financial advisors and with NSAM's senior management and considered a number of factors, including the following (in no particular order):

the transaction is expected to be highly accretive to CAD per share for NSAM stockholders with approximately 24% accretion expected in 2017, based on the NSAM Standalone Projections (as defined in the section entitled " Certain Unaudited Prospective Financial Information of NSAM" beginning on page 175 of this joint proxy statement/prospectus). CAD and Core FFO are operating measures referenced throughout this joint proxy statement/prospectus. CAD is referenced with respect to NSAM and NRF, Core FFO is referenced with respect to Colony and Core FFO/CAD is referenced with respect to Colony NorthStar;

the NSAM board's understanding of the respective businesses, operations, financial condition, historical financial performance, strategy and prospects of NSAM, Colony and NRF, including that the Mergers are expected to result in a combined company, Colony NorthStar, that will:

- be a larger, more diversified, internally managed real estate and investment management company;
- have greater scale, with an expected \$58 billion of assets under management, including \$38 billion of managed funds and vehicles, and \$162 billion of advised assets; broad product offerings covering equity, debt and hybrid investment strategies, open-ended and closed-end investment vehicles and separate accounts; and broad institutional, retail and public company distribution capabilities;
- have a larger, more diversified portfolio consisting of \$20 billion of balance sheet assets under management consisting primarily of real estate equity investments; and
- as a result of its larger size and greater scale and improved leverage profile, have the potential for the expansion of Colony NorthStar's Core FFO/CAD trading multiple compared to that currently applicable to NSAM;

the synergies and other benefits to Colony NorthStar that could result from the Mergers, including the potential to realize estimated annual cost savings of approximately \$115 million \$80 million of cash and \$35 million of equity-based compensation savings with the potential for further cost savings from increased operational efficiencies;

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taking the combined equity market capitalization of the NSAM, Colony and NRF as of June 2, 2016, reducing it by \$228 million, which represents the expected aggregate amount of the original NSAM special dividend and dividing the result by the number of shares of the combined company on a pro forma basis, which is calculated by dividing NSAM's share count by its ownership in the pro forma company of 32.85%, the implied value of the shares of NSAM common stock reflects a premium of approximately 14.6% to the closing share price of NSAM on January 8, 2016, the last trading day before NSAM publicly announced that it would be exploring strategic alternatives; adding the expected NSAM special dividend in the aggregate amount of \$228 million to the implied value of the shares of NSAM common stock reflected above yields a premium of approximately 25.6%;

the fact that, because the merger consideration will consist of Colony NorthStar class A common stock, NSAM stockholders will own approximately 32.85% of the equity of Colony NorthStar and will have the opportunity to participate in the future performance and expected growth of Colony NorthStar and any future appreciation in the value of Colony NorthStar class A common stock, should they decide to retain the Colony NorthStar class A common stock payable in the Mergers;

the fact that NSAM's stockholders will benefit from the liquidity of owning shares of a significantly larger company with a larger float and equity base and the expectation that Colony NorthStar will be in the top quartile of REITs (in terms of size) included in the RMZ Index;

the fact that NSAM stockholders are expected to receive, in addition to their regular quarterly dividends, a special cash dividend, representing a one-time distribution of excess NSAM taxable earnings and profits, equal to \$228 million, in the aggregate;

Colony NorthStar's expected annual dividend of \$1.08 per share, representing an approximately 170% increase to NSAM's current annual dividend of \$0.40 per share;

the risks related to remaining independent, including that: (i) a significant portion of NSAM's revenue (approximately 43% of NSAM's expected 2016 revenue) is from fees received under its management agreement with NRF and that if NRF were to breach or were unable to or were to fail to pay such fees to NSAM under the NRF management agreement, NSAM would suffer significant loss of value; (ii) that a significant portion of NSAM's revenue (approximately 32% of NSAM's expected 2016 revenue) is generated from NSAM's REITs in the retail business, which may be impacted adversely by recently enacted and proposed regulations, including those recently issued by the U.S. Department of Labor; and (iii) the current and expected business climate in the industry in which NSAM operates, including the alternatives reasonably available to NSAM if it did not pursue the transaction, contrasted with the likelihood that Colony NorthStar is expected to be better positioned to meet the industry-wide challenges if the expected strategic and financial benefits of the transaction are realized fully;

the results of the due diligence review conducted by the NSAM special committee's and NSAM's advisors and management regarding Colony and NRF and, in that regard, that both Colony and NRF are public companies subject to public reporting any other legal requirements and that NSAM's management has a full understanding of NRF's business and financial position due to the advisory relationship between NSAM and NRF;

the opinion of Evercore, the NSAM special committee's financial advisor, that, as of June 2, 2016, subject to the assumptions, limitations and qualifications set forth therein, after giving

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effect to the original NSAM special dividend, the NRF exchange ratio, the Colony class A exchange ratio and the Colony class B exchange ratio are fair, from a financial point of view, to the holders of NSAM common stock, which opinion is described below in the section entitled " Opinion of the NSAM Special Committee's Financial Advisor" beginning on page 153 of this joint proxy statement/prospectus and the full text of which is attached hereto as Annex D;

the opinion of Goldman Sachs, NSAM's financial advisor, that, as of June 2, 2016, and based upon and subject to the factors and assumptions set forth therein, and taking into account the original NSAM special dividend, the NRF merger and the Colony merger, the NSAM exchange ratio was fair from a financial point of view to the holders (other than NSAM, NRF and their respective affiliates) of the shares of NSAM common stock, which opinion is described below in the section entitled " Opinion of NSAM's Financial Advisor" beginning on page 166 of this joint proxy statement/prospectus and the full text of which is attached hereto as Annex E;

the review conducted by NSAM, the NSAM special committee and their advisors regarding potential strategic alternatives, including a combination with NRF only, and the results of the extensive process to solicit potential interest in a strategic transaction with NSAM, which are described above in the section entitled " Background of the Mergers" beginning on page 105 of this joint proxy statement/prospectus;

the fact that, notwithstanding that on January 11, 2016, NSAM announced publicly that it was exploring strategic alternatives and that on May 6, 2016, NSAM, Colony and NRF publicly announced that they had entered into exclusive negotiations based upon a joint proposal from Colony and NRF to NSAM for a tri-party all stock "at the market" business combination, and notwithstanding that NSAM with the assistance of Goldman Sachs and Evercore conducted a process, as described above in the section entitled " Background of the Mergers," to explore a range of strategic alternatives for NSAM, NSAM did not receive any other transaction proposal other than those described above in the section entitled " Background of the Mergers" beginning on page 105 of this joint proxy statement/prospectus;

the fact that NSAM's and the NSAM special committee's legal and financial advisors interacted with the NSAM special committee directly and regularly throughout the process, which provided the NSAM special committee with perspectives on the process from outside advisors;

the fact that Colony obtained committed financing for the transaction, the limited number and nature of the conditions to the financing and the obligation under the merger agreement for all parties to use reasonable best efforts to obtain alternative financing if all or any portion of the committed financing became unavailable for any reason;

the fact that the adoption of the merger agreement and the transactions contemplated thereby will be subject to the approval of NSAM stockholders;

the fact that certain members of NSAM's management agreed to an amendment to, and waiver by those members of management of, certain provisions of their existing employment agreements and equity award arrangements, in connection with the closing of the Mergers, by: (i) fixing the number of shares that will vest upon the closing of the Mergers pursuant to the terms of the performance-based equity awards held by the NSAM executive officers based on pre-signing stock prices and on an assumed closing date in January 2017, with Messrs. Hamamoto, Tylis and Gilbert further agreeing to forfeit approximately 2.6 million

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shares that these members of management were projected to earn based on information available prior to the signing of the merger agreement with a forfeited value (including the payment of related accumulated dividends) of approximately \$33 million (based on share prices as of May 31, 2016); (ii) eliminating the NSAM executive officers' rights to receive any cash severance following the closing of the Mergers (except for a nominal severance payment in certain circumstances); (iii) granting Colony NorthStar equity awards, subject to a one-year vesting period, with a maximum aggregate value that is approximately \$52 million less than the estimated cash severance that these members of management would have been entitled to receive if they voluntarily terminated their employment following the Mergers, with Messrs. Hamamoto, Tylis and Gilbert bearing the full amount of this reduction, with the number of shares subject to such awards being attributed a minimum value of \$15.00 per share, which would result in an additional approximately \$22 million reduction in the value of these replacement equity awards based on an assumed price per share of Colony NorthStar common stock equal to \$12.23 per share which was the average closing price of NSAM common stock over the first five trading days following June 3, 2016; and with the shares received pursuant to such awards subject to an additional one-year post-vesting holding period for Messrs. Hamamoto and Gilbert under certain circumstances; and (iv) eliminating base salary and annual bonus opportunity for services performed for Colony NorthStar in 2017 following the Mergers, other than a nominal annual base salary equal to \$1.00;

the fact that no adjustment will be made in the merger consideration to be received by any of NSAM stockholders, Colony stockholders or NRF stockholders in the Mergers as a result of possible increases or decreases in the trading price of the NSAM common stock, Colony class A common stock or NRF common stock following the announcement of the Mergers, which, depending on the trading price of the NSAM common stock, Colony class A common stock or NRF common stock immediately prior to the effective time of the Mergers, might benefit or disadvantage NSAM stockholders;

the post-closing governance structure of Colony NorthStar, including that:

- the board of Colony NorthStar will include five directors appointed by NSAM and NRF, including industry veterans Jon A. Fosheim and Douglas Crocker II;
- NSAM's Executive Chairman, David T. Hamamoto, will be Executive Vice Chairman of the board of Colony NorthStar; and
- NSAM's Chief Investment and Operating Officer, Daniel R. Gilbert, will be the head of Colony NorthStar's retail platform;

the fact that holders of approximately 16% of the voting power of Colony class A and class B common stock have entered into a voting and support agreement with NSAM and NRF to, among other things, vote their shares in favor of the Mergers;

that under the merger agreement, NSAM is permitted to continue to declare the quarterly dividends it would have regularly declared prior to closing;

the NSAM board's view of the capability and likelihood for other potential counterparties to emerge and that while the merger agreement contains a covenant prohibiting each of the Companies, including NSAM, from soliciting third-party acquisition proposals, it permits the NSAM board to consider and respond to unsolicited proposals, subject to certain requirements and to change or withdraw its recommendation in favor of the merger agreement in connection with a superior proposal or for certain unforeseen events should the NSAM board

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(or the NSAM special committee), after compliance with certain requirements, including consultation with its legal advisors, determine that failure to do so would be inconsistent with its fiduciary duties, subject to the payment of a termination fee of \$92 million;

the NSAM board's determination, based on discussions with its financial and legal advisors, that the payment by NSAM in certain circumstances of either a \$92 million termination fee or the other parties' transactions expenses (up to a total of \$20 million, which is credited against the termination fee if the termination fee is later payable), is: (i) reasonable and customary in size in transactions similar to the Mergers; and (ii) would not be likely to preclude or deter a willing and financially capable third party, were one to exist, from making a superior proposal for NSAM following the announcement of the transaction;

the ability of Colony and NRF to complete the Mergers within the timeline set forth in the merger agreement, including the likelihood of being able to obtain all required regulatory approvals;

the other material terms and conditions of the merger agreement, including that the representations, warranties, covenants, termination provisions and other terms of the merger agreement are generally reciprocal in nature; and

the fact that the receipt of Colony NorthStar stock in the Mergers is not expected to be taxable to stockholders.

In addition, the NSAM special committee also identified and considered a variety of risks and other potentially negative factors weighing against the Mergers, including:

the risk that the significant synergies and other benefits expected to result from the Mergers may not be realized fully or at all;

the possibility that Colony may be unable to obtain all or a portion of the financing contemplated by the financing commitments;

the risk that the pendency of the Mergers for an extended period of time following the announcement of the Mergers could have an adverse effect on NSAM, Colony or NRF or the combined company;

the challenges inherent in the combination of the three businesses, including the risk that integration of the three companies may take more time and be more costly than anticipated and that key employees will not be retained;

that substantial costs will be incurred by NSAM, Colony and NRF in connection with the Mergers;

the risk that NSAM, Colony or NRF may not meet their respective financial projections or may experience changes in their business that adversely impact Colony NorthStar;

certain terms of the merger agreement, for example:

- the limitation on NSAM's ability to solicit alternative proposals;

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Colony and NRF's ability (albeit reciprocal for NSAM), under certain circumstances and subject to certain conditions, to furnish information to and to conduct

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negotiations with a third party that makes an unsolicited bona fide written proposal for a business combination or acquisition of Colony or NRF that could reasonably be expected to lead to a proposal that is superior to the Mergers;

- NSAM is required to divest its a minority equity interest prior to closing because the interest is not compatible with Colony NorthStar's expected REIT election; and
- NSAM will be required to pay Colony and NRF a termination fee of \$92 million in the aggregate if the merger agreement is terminated under certain circumstances, including a termination of the merger agreement by Colony or NRF as a result of a change of recommendation of the NSAM board in response to a proposal to acquire NSAM that is superior to the Mergers;

the risk that the Mergers may not be completed, for reasons beyond NSAM's control, including: (i) the failure to obtain the NSAM stockholder approval, Colony stockholder approval or NRF stockholder approval; and (ii) the failure to obtain regulatory approval or the imposition of conditions on such approval that could have a negative impact on Colony NorthStar;

certain of NSAM's directors and executive officers may receive certain benefits that are different from, and in addition to, those of NSAM's other stockholders (refer to the sections entitled " Interests of NSAM's Directors and Executive Officers in the Mergers" beginning on page 211 of this joint proxy statement/prospectus and " Interests of NRF's Directors and Executive Officers in the Mergers Information for Advisory Vote on Merger-Related Compensation for the NSAM and NRF Named Executive Officers Golden Parachute Compensation" beginning on page 222 of this joint proxy statement/prospectus); and

the risks of the type and nature described in the section entitled "Risk Factors" beginning on page 61 of this joint proxy statement/prospectus.

The NSAM special committee and NSAM board considered these and other factors as a whole, and unanimously concluded the relevant information and factors that they considered to be favorable to, and in support of, their determinations and recommendations.

The foregoing discussion of certain information and factors considered by the NSAM special committee and NSAM board is not exhaustive but is intended to reflect the principal factors considered by the NSAM special committee and NSAM board in their consideration of the merger agreement and the transactions contemplated by the merger agreement. In light of the complexity and numerous factors considered, neither the NSAM special committee nor the NSAM board assigned any relative or specific weight to those various factors. Rather, the NSAM special committee and NSAM board based their recommendations on the totality of the information presented to and considered by them. In addition, individual members of the NSAM special committee and the NSAM board may have given weight to different factors not mentioned above. Moreover, as noted above, Ms. Hannaway and Messrs. Hamamoto, Minami, Paglia and Tylis recused themselves from participating in the meetings of the NSAM board, including the June 2, 2016 meeting, at which the NSAM board deliberated and voted to approve the merger agreement and the transactions contemplated by the merger agreement.

The foregoing discussion of the information and factors considered by the NSAM special committee and the NSAM board utilized forward-looking information. This information should be read in light of the factors described under the section entitled "Cautionary Statement Concerning Forward-Looking Statements" beginning on page 79 of this joint proxy statement/prospectus.

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After carefully considering the various potentially positive and negative factors, including the foregoing, the NSAM special committee and the NSAM board concluded that, overall, the potentially positive factors relating to the merger agreement and the transactions contemplated by the merger agreement outweighed the potentially negative factors. Accordingly, the NSAM board, following the unanimous recommendation of the NSAM special committee, recommends that you vote "FOR" the NSAM merger proposal, "FOR" the NSAM charter proposal, "FOR" the NSAM compensation proposal and "FOR" the NSAM adjournment proposal.

Reasons for the Mergers and Recommendation of the Colony Board

In evaluating the Mergers, the merger agreement and other related transactions and matters as described in this joint proxy statement/prospectus, the Colony board consulted with Colony's management and legal and financial advisors. In reaching its determinations to approve Colony's entry into the merger agreement, the transactions contemplated by the merger agreement and other related agreements as described in this joint proxy statement/prospectus and to recommend that Colony common stockholders vote "FOR" the Colony merger proposal, "FOR" the Colony charter proposal, "FOR" the Colony compensation proposal and "FOR" the Colony adjournment proposal, the Colony board considered a number of factors, including the following material factors which the Colony board viewed as supporting its decisions with respect to the Mergers, the merger agreement and other related matters as described in this joint proxy statement/prospectus:

the Colony board's understanding of the respective businesses, operations, financial condition, historical financial performance, strategy and prospects of NSAM, Colony and NRF, including that the Mergers are expected to result in a combined company, Colony NorthStar, that will:

- be the leading global equity REIT with an embedded investment management platform;
- be a larger, more diversified internally-managed real estate and investment management company that will be led by a highly experienced senior management team including members from Colony's current senior management team;
- have greater scale, with a permanent capital base expected to consist of approximately \$58 billion of assets under management, including approximately \$38 billion of managed funds and vehicles, and approximately \$162 billion of advised assets; broad product offerings covering debt, equity and hybrid investment strategies, open-ended and closed-end investment vehicles and separate accounts; and broad institutional, retail and public company distribution capabilities;
- have a larger, more diversified portfolio consisting of approximately \$20 billion of balance sheet assets under management consisting primarily of real estate equity investments;
- have a significantly strengthened balance sheet with an initial leverage profile of approximately 5.6x EBITDA, and the opportunity to further improve its credit profile through a continued strategy of asset monetization and deleveraging, thereby positioning itself to achieve an investment grade credit profile and a lower cost of capital and providing it with the ability to opportunistically acquire additional attractive assets;
- as a result of its larger size and greater scale and improved leverage profile, have the potential for the expansion of Colony NorthStar's capital raising opportunities and

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prospects and cash-available-for-distribution-trading multiple compared to that currently applicable to Colony; and

- have up to approximately \$1.3 billion of excess liquidity to deploy, utilizing Colony NorthStar's co-investment model;

anticipated synergies to Colony NorthStar and other cost savings from increased operational efficiencies that could result from the Mergers, including the potential to realize estimated annual cost savings of approximately \$115 million (\$80 million of cash and \$35 million of stock-based compensation savings);

the fact that, because the merger consideration will consist of Colony NorthStar class A common stock, Colony stockholders will own approximately 33.25% of the issued and outstanding shares of Colony NorthStar as of the closing and will have the opportunity to participate in the future performance and expected growth of Colony NorthStar and any future appreciation in the value of Colony NorthStar class A common stock, should the Colony stockholders decide to retain the Colony NorthStar class A common stock payable to them in the Mergers;

the fact that no adjustment will be made in the merger consideration to be received by any of NSAM stockholders, Colony stockholders or NRF stockholders in the Mergers as a result of possible increases or decreases in the trading price of the NSAM, Colony or NRF common stock following the announcement of the Mergers, which, depending on the trading price of the Colony class A common stock, NSAM common stock and NRF common stock immediately prior to the effective time of the Mergers, might benefit or disadvantage Colony stockholders;

the risks related to remaining independent, including that the current and expected business climate in the industry in which Colony operates, including the alternatives reasonably available to Colony if it did not pursue the transactions contemplated by the merger agreement, contrasted with the likelihood that Colony NorthStar is expected to be better positioned to meet the industry-wide challenges if the expected strategic and financial benefits of those transactions are realized fully;

the Colony board's knowledge of NSAM's and NRF's business, operations, financial condition, earnings and prospects, taking into account the results of the due diligence review conducted by the Colony board and Colony's senior management team and advisors regarding NSAM and NRF and, in that regard, that both NSAM and NRF are public companies subject to public reporting and other legal requirements;

the recommendation of Colony's senior management team in favor of the Mergers;

the opinion, dated June 2, 2016, of BofA Merrill Lynch to the Colony board as to the fairness, from a financial point of view and as of such date, to the holders of Colony class A common stock of the Colony class A exchange ratio provided for in the Colony merger, which opinion was based on and subject to the assumptions made, procedures followed, factors considered and limitations and qualifications on the review undertaken as more fully described in the section entitled "Opinion of Colony's Financial Advisor," beginning on page 178 of this joint proxy statement/prospectus and the full text of which is attached hereto as Annex F;

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the fact that Colony's legal and financial advisors interacted with the Colony board directly and regularly throughout the process, which provided the Colony board with perspectives on the process from outside advisors;

the fact that the adoption of the merger agreement and the transactions contemplated by the merger agreement will be subject to the approval of Colony's common stockholders;

the post-closing governance structure of Colony NorthStar, including that:

- the board of Colony NorthStar will include five directors appointed by Colony;
- Colony's Executive Chairman, Thomas J. Barrack, Jr. will be Executive Chairman of Colony NorthStar;
- Colony's Chief Executive Officer and President, Richard B. Saltzman, will be Chief Executive Officer of Colony NorthStar;
- Colony's Chief Financial Officer, Darren J. Tangen, will be Chief Financial Officer of Colony NorthStar;
- Colony's Chief Operating Officer, Mark M. Hedstrom, will be Chief Operating Officer of Colony NorthStar; and
- Colony's Chief Legal Officer and Secretary, Ronald M. Sanders, will be Chief Legal Officer and Secretary of Colony NorthStar;

the fact that holders of approximately 16% of the voting power of Colony class A common stock and 100% of the voting power of Colony class B common stock have entered into a voting and support agreement with NSAM and NRF to, among others, vote their shares in favor of the Mergers;

that under the merger agreement, Colony is permitted to continue to pay regular quarterly dividends so long as the distribution is declared and paid no earlier than the date of declaration and payment in the prior calendar year and a pro rata dividend for the first quarter of 2017;

that following the consummation of the Mergers and related transactions contemplated by the merger agreement, Colony NorthStar is expected to qualify as a REIT under U.S. federal income tax laws;

the merger agreement provisions that prohibit each of the Companies, including Colony, from soliciting third-party acquisition proposals also permit the Colony board to consider and respond to unsolicited proposals, subject to certain requirements, and to change or withdraw its recommendation in favor of the merger agreement in connection with a superior proposal or for certain unforeseen events should the Colony board, after compliance with certain requirements including consultation with its legal advisors, determine that failure to do so would be inconsistent with its duties, subject to the payment of a termination fee of \$92 million;

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the Colony board's determination, based on discussions with its financial and legal advisors, that the payment by Colony in certain circumstances of either a \$92 million termination fee and the other parties' transaction expenses (up to a total of \$20 million, which would be

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credited against the termination fee if the termination fee is later payable), is: (i) reasonable and customary in size in transactions similar to the risk that, despite the retention efforts of NSAM, Colony and NRF prior to the consummation of the Mergers and related transactions contemplated by the merger agreement, any or all of NSAM, Colony, NRF or Colony NorthStar may lose key personnel; and (ii) would not be likely to preclude or deter a willing and financially capable third party, were one to exist, from making a superior proposal for Colony following the announcement of the transaction;

the ability of NSAM and NRF to complete the Mergers within the timeline set forth in the merger agreement, including the Colony board's view, after consultation with its legal counsel, concerning the likelihood that all required regulatory approvals necessary to consummate the Mergers and related transactions contemplated by the merger agreement will be obtained;

the fact that the other material terms and conditions of the merger agreement, including the representations, warranties, covenants and termination provisions, are generally reciprocal in nature;

the fact that the receipt of Colony NorthStar stock in the Mergers is not expected to be taxable to Colony stockholders; and

the expectation that the Mergers will result in greater value to the Colony stockholders than the value that could be expected to be generated from the various other strategic alternatives available to Colony.

In addition, the Colony board also identified and considered a variety of risks and other potentially negative factors that could have resulted in the Colony board determining to not enter into the merger agreement, including:

the challenges of developing and executing a successful strategy and business plan for Colony NorthStar, including the risk of not capturing all of the anticipated cost savings, synergies and other benefits that could result from the Mergers and the risk that other anticipated benefits of the Mergers might not be realized fully or at all;

the risk that the pendency of the Mergers for an extended period of time following the announcement of the Mergers could have an adverse effect on NSAM, Colony or NRF or following the closing, Colony NorthStar;

the challenges inherent in the combination of the three businesses, including the risk that integration of NSAM, Colony and NRF may take more time and be more costly than anticipated or distract from the business to be conducted by Colony NorthStar;

the risk that, despite the retention efforts of NSAM, Colony and NRF prior to the consummation of the Mergers and related transactions contemplated by the merger agreement and Colony NorthStar following the consummation of the Mergers and related transactions contemplated by the merger agreement, any or all of NSAM, Colony, NRF or Colony NorthStar may lose key personnel;

the risk that, despite the efforts of NSAM, Colony and NRF prior to the consummation of the Mergers and related transactions contemplated by the merger agreement and Colony NorthStar following the consummation of the Mergers and related transactions contemplated by the merger agreement, relationships of NSAM, Colony, NRF or Colony NorthStar with key clients, customers and other third parties may be negatively impacted, including the fact that

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upon consummation of the Mergers, the counterparties under certain material contracts of NSAM, Colony and NRF may be able to exercise certain "change of control" rights;

the potential for diversion of management's and employees' attention during the period prior to completion of the Mergers, and the potential negative effects on Colony's business during that period;

the difficulties of combining the businesses and workforces of NSAM, Colony and NRF based on, among other things, differences in the cultures of the three companies;

the challenges inherent in the management and operation of a global business;

the risk that NSAM stockholders, Colony stockholders or NRF stockholders may object to and challenge the Mergers and take actions that may prevent or delay the consummation of the Mergers, including to vote down the proposals at the applicable special meeting;

the risk that changes in the regulatory landscape or new industry developments may adversely affect the business benefits anticipated to result from the Mergers;

the risk that NSAM, Colony or NRF may not meet their respective financial projections or may experience changes in their business, each of which could adversely impact Colony NorthStar;

the potential that the fixed exchange ratio under the merger agreement could result in Colony delivering greater value to the NSAM stockholders and NRF stockholders than had been anticipated by Colony;

certain terms of the merger agreement, for example:

- the restrictions on the conduct of Colony's business during the pendency of the Mergers, which may delay or prevent Colony from undertaking potential business opportunities that may arise or may negatively affect Colony's ability to attract, retain and motivate key personnel;
- the limitation on Colony's ability to solicit alternative proposals;
- NSAM's and NRF's ability to terminate the merger agreement in order to accept a superior proposal, subject to certain conditions (including the payment to Colony of a termination fee, or portion thereof, in certain circumstances);
- NSAM's and NRF's ability (albeit reciprocal for Colony), under certain circumstances and subject to certain conditions, to furnish information to, and to conduct negotiations with, a third party that makes an unsolicited bona fide written proposal for a business combination or acquisition of NSAM or NRF that could reasonably be expected to lead to a proposal that is superior to the Mergers; and
- Colony will be required to pay NSAM and NRF a termination fee of \$92 million and expense reimbursement up to \$20 million, in each case in the aggregate, if the merger agreement is terminated under certain circumstances;

the risk that the Mergers may not be completed, for reasons beyond Colony's control, including: (i) the failure to obtain the NSAM stockholder approval, Colony stockholder

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approval or NRF stockholder approval; and (ii) the failure to obtain regulatory approval or the imposition of conditions on such approval that could have a negative impact on Colony NorthStar;

the fact that each of NSAM, Colony and NRF has incurred and will continue to incur significant transaction costs and expenses in connection with the Mergers, regardless of whether the Mergers are consummated;

certain of Colony's directors and executive officers may receive certain benefits that are different from, and in addition to, those of Colony's other stockholders (see sections entitled " Interests of Colony's Directors and Executive Officers in the Mergers" beginning on page 218 of this joint proxy statement/prospectus and " Interests of Colony's Directors and Executive Officers in the Mergers Information for Advisory Vote on Merger-Related Compensation for the Colony Named Executive Officers Golden Parachute Compensation" beginning on page 220 of this joint proxy statement/prospectus); and

the risks of the type and nature described in the section entitled "Risk Factors" beginning on page 61 of this joint proxy statement/prospectus.

The Colony board considered these and other factors as a whole, and unanimously concluded the relevant information and factors that they considered to be favorable to, and in support of, their determinations and recommendations. The foregoing discussion of certain information and factors considered by the Colony board is not exhaustive but is intended to reflect the material factors considered by the Colony board in its consideration of the merger agreement, the Mergers and the transactions contemplated by the merger agreement. In light of the complexity and numerous factors considered, the Colony board did not assign any relative or specific weight to those various factors. Rather, the Colony board based its recommendations on the totality of the information presented to and considered by it. In addition, individual members of the Colony board may have given weight to different factors not mentioned above.

The foregoing discussion of the information and factors considered by the Colony board utilized forward-looking information. This information should be read in light of the factors described under the section entitled "Cautionary Statement Concerning Forward-Looking Statements" beginning on page 79 of this joint proxy statement/prospectus.

After carefully considering the various potentially positive and negative factors, including the foregoing, the Colony board concluded that, overall, the potentially positive factors relating to the merger agreement and the transactions contemplated by the merger agreement outweighed the potentially negative factors. Accordingly, the Colony board recommends that you vote "FOR" the Colony merger proposal, "FOR" the Colony charter proposal, "FOR" the Colony compensation proposal and "FOR" the Colony adjournment proposal.

Reasons for the Mergers and Recommendation of the NRF Board

The decision of the NRF special committee and the NRF board to enter into the merger agreement (including as amended) was the result of careful consideration by each of the NRF special committee and the NRF board of numerous factors, including the following (in no particular order):

the internalization of management for Colony NorthStar, which will materially enhance Colony NorthStar's flexibility to operate and manage its business and potentially enable Colony NorthStar to trade at a higher multiple as compared to similarly sized externally managed REITs;

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the synergies and other benefits to Colony NorthStar that could result from the Mergers, including the potential to realize estimated annual cost savings of approximately \$115 million, \$80 million of which is in cash and \$35 million of which is in equity-based compensation savings, with the potential for further cost savings from operational efficiencies;

the creation of an internally managed real estate and investment management company with a larger, more diversified portfolio with approximately \$58 billion of assets under management, which will primarily include real estate equity investments;

bringing together a highly experienced team of executive officers from each of NSAM, Colony and NRF, which will provide continuity, transparency and a clear, consistent vision for the combined Colony NorthStar business;

the improvement of the combined company's credit profile and the achievement of a lower cost of capital on a go-forward basis;

the ability to broaden access to capital and attract institutional capital for co-investment opportunities and enhance returns on equity through the co-investment model;

the potential to unlock value as a result of Colony NorthStar's increased scale and an improved leverage profile, the potential to expand Colony NorthStar's Core FFO/CAD, trading multiple compared to that currently applicable to NRF, which the NRF board and the NRF special committee believed to be undervalued relative to NRF's industry peers;

the oral opinion delivered on June 2, 2016, subsequently confirmed in writing, of UBS to the NRF special committee as to the fairness, from a financial point of view as of such date and taking into account the Redomestication merger, the New NRF Holdco merger and the Colony merger, of the NRF exchange ratio, which opinion was based on and subject to the assumptions and qualifications made, procedures followed, factors considered and limitations on the review undertaken more fully described in the section entitled " Opinion of the NRF Special Committee's Financial Advisor";

the fact that NRF's stockholders will benefit from the liquidity of owning shares of a significantly larger company with a larger float and equity base and the expectation that Colony NorthStar will be in the top quartile of REITs (in terms of size) included in the RMZ Index;

the fact that the NRF exchange ratio is subject to adjustment only under certain limited circumstances as set forth in the merger agreement and will not increase or decrease based upon changes in the market price of NSAM, Colony or NRF common stock between the date of the merger agreement and the date of the consummation of the Mergers;

the long-term accretion to Core FFO/CAD per share associated with the Mergers;

the ability of holders of NRF common stock to benefit, because the consideration to be received by holders of NRF common stock consists solely of Colony NorthStar common stock and NRF stockholders will own approximately 33.90% of the equity of Colony NorthStar, from any increase in the trading price of the shares of Colony NorthStar common stock following the closing of the Mergers, whether from future growth in Core FFO/CAD per share or from an increase in the value of the assets of NSAM prior to the Mergers, the assets of Colony prior to the Mergers or the assets of NRF prior to the Mergers;

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the ability to complete the Mergers on the anticipated schedule (including the likelihood of receiving the NSAM, Colony and NRF stockholder approvals necessary to complete the Mergers) given the commitment of the Companies to complete the Mergers pursuant to their respective obligations under the merger agreement;

the fact that, simultaneously with the execution of the merger agreement, NRF entered into the NSAM/NRF side agreement pursuant to which, among other things:

- NRF and its subsidiaries party to the merger agreement will not be liable to NSAM and its affiliates for breaches of their obligations under the merger agreement if and to the extent that such breaches result from an action or omission taken or made by NSAM or any of its affiliates in performance of the services or any of the asset manager's duties or obligations under the NRF management agreement, unless such action or omission was taken with the prior written consent of the NRF special committee; and
- should a termination fee become payable by NRF to NSAM under certain circumstances, NSAM will waive the payment of such termination fee in excess of \$3 million, subject to certain conditions (for a more detailed description of the NSAM/NRF side agreement, refer to the section entitled "Other Related Agreements NSAM/NRF Side Agreement" beginning on page 308 of this joint proxy statement/prospectus), resulting in a total termination fee of up to \$49 million payable by NRF compared to a total termination fee of up to \$92 million payable by either NSAM or Colony;

the fact that certain members of NRF's management agreed to an amendment to, and waiver by those members of management of, certain provisions of their existing employment agreements and equity award arrangements, in connection with the closing of the Mergers, by: (i) fixing the number of shares that will vest upon the closing of the Mergers pursuant to the terms of the performance-based equity awards held by certain NRF executive officers based on pre-signing stock prices and on an assumed closing date in January 2017, with Messrs. Hamamoto, Tylis and Gilbert further agreeing to forfeit approximately 2.6 million shares that these members of management were projected to earn based on information available prior to the signing of the merger agreement with a forfeited value (including the payment of related accumulated dividends) of approximately \$33 million (based on share prices as of May 31, 2016); (ii) eliminating certain NRF executive officers' rights to receive any cash severance following the closing of the Mergers (except for a nominal severance payment in certain circumstances); (iii) granting Colony NorthStar equity awards, subject to a one-year vesting period, with a maximum aggregate value that is approximately \$52 million less than the estimated cash severance that these members of management would have been entitled to receive if they voluntarily terminated their employment following the Mergers, with Messrs. Hamamoto, Tylis and Gilbert bearing the full amount of this reduction, with the number of shares subject to such awards being attributed a minimum value of \$15.00 per share, which would result in an additional approximately \$22 million reduction in the value of these replacement equity awards based on an assumed price per share of Colony NorthStar common stock equal to \$12.23 per share, and with the shares received pursuant to such awards subject to an additional one-year post-vesting holding period for Messrs. Hamamoto and Gilbert under certain circumstances; and (iv) eliminating base salary and annual bonus opportunity for services performed for Colony NorthStar in 2017 following the Mergers, other than a nominal annual base salary equal to \$1.00;

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the agreement by David T. Hamamoto and certain entities owned or controlled by him, Albert Tylis and Daniel R. Gilbert to vote (or cause to be voted) all of their respective shares of NSAM common stock and/or NRF common stock in favor of the Redomestication merger and/or the New NRF Holdco merger, as well as the other transactions contemplated by the merger agreement and against any alternative proposal;

the agreement by Thomas J. Barrack, Jr. and Richard B. Saltzman to vote (or cause to be voted) all of their respective shares of Colony common stock, which represent, in the aggregate, approximately 16% of the voting power of Colony common stock, in favor of the Colony merger and related transactions contemplated by the merger agreement and against any alternative proposal;

the efforts made by the NRF special committee to evaluate and negotiate, with the assistance of its legal and financial advisors, the terms of the merger agreement and make recommendations regarding the merger agreement to the NRF board;

the judgment of the NRF special committee, following consultation with its advisors, that because of the NRF management agreement it was unlikely that a third party other than NSAM and Colony would consummate a transaction on superior terms and that would provide NRF stockholders greater consideration, than is being provided in connection with the Mergers;

the merger agreement provisions that, while prohibiting each of the Companies, including NRF, from soliciting third-party acquisition proposals, permit the NRF board to consider and respond to unsolicited proposals, subject to certain requirements and to change or withdraw its recommendation in favor of the merger agreement in connection with a superior proposal or for certain unforeseen events should the NRF board (or the NRF special committee), after compliance with certain requirements, including consultation with its legal advisors, determine that failure to do so would be inconsistent with its duties, subject to the payment of a termination fee;

the right of the NRF special committee or the NRF board to change its recommendation to NRF stockholders upon the occurrence of certain intervening events, subject to certain conditions (including payment to each of NSAM and Colony of a termination fee);

the results of the due diligence review conducted by the NRF special committee's and NRF's advisors and management regarding NSAM and Colony and, in that regard, that both NSAM and Colony are public companies subject to public reporting any other legal requirements and that NRF's management has a full understanding of NSAM's business and financial position due to the advisory relationship between NSAM and NRF;

the fact that NRF's and the NRF special committee's legal and financial advisors interacted with the NRF special committee directly and regularly throughout the process, which provided the NRF special committee with perspectives on the process from outside advisors;

the fact that Colony obtained committed financing for the transaction, the limited number and nature of the conditions to the financing and the obligation under the merger agreement for all parties to use reasonable best efforts to obtain alternative financing if all or any portion of the committed financing became unavailable for any reason;

the restrictions on the conduct of NSAM's and Colony's businesses between the date of the merger agreement and the date of the consummation of the Mergers, including the fact that

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such restrictions permit NRF, subject to certain conditions, to continue its asset monetization strategy and improve NRF's leverage profile even if the Mergers fail to close;

the terms of the merger agreement placing limitations on the ability of NSAM and Colony to solicit, initiate or knowingly encourage or knowingly facilitate any inquiry or proposal for, or engage in any negotiations concerning, or provide any confidential or nonpublic information or data to, or have any discussion with, any person relating to any inquiry, proposal or offer that constitutes, or could reasonably be expected to lead to, any alternative acquisition proposals;

the post-closing governance structure of Colony NorthStar, including that:

- the board of Colony NorthStar will include five directors appointed by NSAM and NRF, including industry veterans Jon A. Fosheim and Douglas Crocker II;
- NRF's Chairman, David T. Hamamoto, will be Executive Vice Chairman of the board of Colony NorthStar; and
- NRF's Chief Investment and Operating Officer, Daniel R. Gilbert, will be the head of Colony NorthStar's retail platform;

that under the merger agreement, NRF is permitted to continue to pay regular quarterly dividends with respect to each quarter of 2016 so long as the distribution is declared and paid no earlier than the date of declaration and payment in the prior calendar year and a pro rata dividend for the first quarter of 2017;

the Mergers are expected to qualify as tax-free transactions to NRF stockholders, except with respect to cash received in lieu of fractional shares; and

the ability of NRF to pursue other strategic alternatives or remain a standalone entity in the event of the failure of the Mergers.

In addition, the NRF special committee and the NRF board also identified and considered a variety of risks and other potentially negative factors weighing against the Mergers, including:

the possible disruption to NSAM's, Colony's or NRF's business that may result from the announcement and pendency of the Mergers (including the likelihood of litigation brought by or on behalf of NSAM, Colony or NRF stockholders challenging the Mergers);

the challenges in absorbing the effect of any failure to complete the Mergers, including potential termination fees and stockholder and market reactions;

the fact that the holders of NRF common stock might not receive a premium for their shares of NRF common stock in connection with the Mergers;

the fact that that, prior to the Mergers there has not been and will not be established a public trading for Colony NorthStar common stock, and that NRF stockholders cannot be sure of the market price of the Colony NorthStar stock they will receive as consideration;

the changes in senior management resulting from the Mergers;

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the possibility that Colony may be unable to obtain all or a portion of the financing contemplated by the financing commitments;

the risk that the operational synergies and other benefits expected to result from the Mergers might not be fully realized or realized at all;

the challenges inherent in the combination of three businesses of the size and complexity of NSAM, Colony and NRF;

that NRF stockholders will be forgoing the potential benefits, if any, that could be realized by NRF remaining a standalone entity;

that some of the directors and executive officers of NRF have arrangements that provide them with interests in the Mergers that are different from, or in addition to, other common stockholders of NRF, as more fully described in the section entitled " Interests of NRF's Directors and Executive Officers in the Mergers";

the terms of the merger agreement placing limitations on the ability of NRF to solicit, initiate or knowingly encourage or knowingly facilitate any inquiry or proposal for, or engage in any negotiations concerning, or provide any confidential or nonpublic information or data to, or have any discussion with, any person relating to any inquiry, proposal or offer that constitutes, or could reasonably be expected to lead to, any alternative acquisition proposals;

the right of each of the NSAM board and the Colony board to terminate the merger agreement in order to accept an NSAM superior proposal or a Colony superior proposal, respectively, subject to certain conditions (including payment to NRF of a portion of a termination fee);

the right of each of the NSAM board and the Colony board to change its recommendation to NSAM and Colony stockholders, respectively, upon the occurrence of certain intervening events, subject to certain conditions (including the payment to NRF of a portion of a termination fee);

the restrictions in the merger agreement on the conduct of NRF's business between the date of the merger agreement and the date of the consummation of the Mergers, including restrictions on the amount of distributions that may be made by NRF to its common stockholders;

the risk that the Mergers might not be completed in a timely manner or at all;

that forecasts of future financial and operational results of Colony NorthStar are necessarily estimates based on assumptions, may vary significantly from future performance and NSAM, Colony and NRF may not meet their respective financial projections;

the potential risk of diverting management focus and resources from operational matters and other strategic opportunities while working to implement the Mergers; and

various other risks associated with the Mergers and Colony NorthStar described in the section entitled "Risk Factors" beginning on page 61 of this joint proxy statement/prospectus and the matters described in the section entitled "Cautionary Statement Concerning Forward-Looking Statements" beginning on page 79 of this joint proxy statement/prospectus.

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The NRF special committee and NRF board considered these and other factors as a whole and concluded the relevant information and factors that they considered to be favorable to, and in support of, their determinations and recommendations.

The foregoing discussion of certain information and factors considered by the NRF special committee and NRF board is not exhaustive but is intended to reflect the principal factors considered by the NRF special committee and NRF board in their consideration of the merger agreement and the transactions contemplated by the merger agreement. In light of the complexity and numerous factors considered, neither the NRF special committee nor the NRF board assigned any relative or specific weight to those various factors. Rather, the NRF special committee and NRF board based their recommendations on the totality of the information presented to and considered by them. In addition, individual members of the NRF special committee and the NRF board may have given weight to different factors not mentioned above. Moreover, Ms. Hannaway and Messrs. Hamamoto, Minami, Paglia and Tylis recused themselves from participating in the meetings of the NRF board, including the June 2, 2016 meeting (other than Mr. Tylis, who attended such meeting but did not participate in the deliberations) and the meeting held on October 10 and October 11, 2016 (other than Mr. Hamamoto, who attended such meeting but did not participate in the deliberations), at which the NRF board deliberated and voted to approve the merger agreement and the transactions contemplated by the merger agreement.

The foregoing discussion of the information and factors considered by the NRF special committee and the NRF board utilized forward-looking information. This information should be read in light of the factors described under the section entitled "Cautionary Statement Concerning Forward-Looking Statements" beginning on page 79 of this joint proxy statement/prospectus.

After carefully considering the various potentially positive and negative factors, including the foregoing, the NRF special committee and the NRF board concluded that, overall, the potentially positive factors relating to the merger agreement and the transactions contemplated by the merger agreement outweighed the potentially negative factors. Accordingly, the NRF board, following the unanimous recommendation of the NRF special committee, recommends that you vote "FOR" the NRF merger proposal, "FOR" the NRF charter proposal, "FOR" the NRF compensation proposal and "FOR" the NRF adjournment proposal.

Opinion of the NSAM Special Committee's Financial Advisor

The NSAM special committee retained Evercore to act as its financial advisor in connection with its evaluation of potential strategic alternatives for NSAM, which included a transaction involving Colony and NRF. On June 2, 2016, at a joint meeting of the NSAM special committee and NSAM board, Evercore rendered its oral opinion, subsequently confirmed by delivery of a written opinion, that, as of June 2, 2016, after giving effect to the payment of the original NSAM special dividend and based upon and subject to the factors, procedures, assumptions, qualifications and limitations set forth in its opinion, the NRF exchange ratio, the Colony class A exchange ratio and the Colony class B exchange ratio were fair, from a financial point of view, to the holders of NSAM common stock.

The full text of Evercore's written opinion, dated June 2, 2016, which sets forth, among other things, the assumptions made, procedures followed, matters considered and qualifications and limitations on the scope of review undertaken by Evercore in delivering its opinion, is attached as Annex D to this joint proxy statement/prospectus and is incorporated herein by reference in its entirety. The description of Evercore's written opinion set forth in this joint proxy statement/prospectus is qualified in its entirety by the full text of such opinion. We encourage you to read Evercore's opinion carefully and in its entirety. Evercore's opinion is not a recommendation as to how

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any holder of NSAM common stock should vote with respect to the transactions contemplated by the merger agreement or any other matter.

In connection with rendering its opinion, Evercore, among other things:

reviewed certain publicly available business and financial information relating to NSAM, Colony and NRF that Evercore deemed to be relevant;

reviewed certain non-public historical financial and operating data relating to NSAM, Colony and NRF prepared and furnished to Evercore by the management of each of such companies;

reviewed certain non-public projected financial and operating data relating to NSAM, Colony and NRF prepared and furnished to Evercore by the management of each of such companies;

discussed the past and current operations, financial projections and current financial condition of NSAM, Colony and NRF with the management of each of such companies (including their views on the risks and uncertainties of achieving such projections);

performed a discounted cash flow analysis on NSAM based on forecasts and other data provided by the management of NSAM;

performed dividend discount analyses on Colony and NRF based on forecasts and other data provided by the management of each of such companies;

performed a peer group trading analysis on NSAM using publicly available information relating to public issuers that Evercore deemed relevant;

compared the relative contribution by each of NSAM, Colony and NRF of certain financial metrics Evercore deemed relevant to the pro forma entity based on the relative ownership derived from the exchange ratios;

performed sum-of-the-parts analyses for Colony and NRF based on forecasts and other data provided by the management of each of such companies;

reviewed estimated synergy information and anticipated asset sales and reinvestment assumptions, in each case as jointly developed by the management of NSAM, Colony and NRF;

reviewed the reported prices and the historical trading activity of NSAM, Colony and NRF;

reviewed publicly available research analyst estimates for NSAM's, Colony's and NRF's future financial performance on a standalone basis;

reviewed a substantially final draft of the merger agreement, dated June 2, 2016; and

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performed such other analyses and examinations and considered such other factors that Evercore deemed appropriate.

For purposes of Evercore's analysis and opinion, Evercore assumed and relied upon, without undertaking any independent verification of, the accuracy and completeness of all of the information publicly available, and all of the information supplied or otherwise made available to, discussed with or reviewed by Evercore, and Evercore assumes no liability therefor. With respect to the projected

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financial data relating to NSAM, Colony and NRF referred to above, Evercore assumed that such data had been reasonably prepared on bases reflecting the best currently available estimates and good faith judgments of the respective managements of NSAM, Colony and NRF as to the future financial performance of NSAM, Colony, NRF and Colony NorthStar, as applicable, under the business assumptions reflected therein, including with respect to tax assumptions. Evercore expressed no view as to any projected financial and operating data or any judgments, estimates or assumptions on which they are based. Evercore relied, at the direction of the NSAM special committee, without independent verification, upon the assessments of the management of NSAM, Colony and NRF as to the future financial and operating performance of NSAM, Colony, NRF and Colony NorthStar and assumed that Colony NorthStar would realize the benefits that the management of NSAM, Colony and NRF expect would be realized from the NRF merger and Colony merger.

For purposes of rendering its opinion, Evercore assumed, in all respects material to its analysis, that the representations and warranties of each party contained in the merger agreement (in the draft form reviewed by Evercore) were true and correct, that each party would perform all of the covenants and agreements required to be performed by it under the merger agreement and that all conditions to the consummation of the NRF merger and Colony merger would be satisfied without material waiver or modification thereof. Evercore further assumed that all governmental, regulatory or other consents, approvals or releases necessary for the consummation of the NRF merger and Colony merger would be obtained without any material delay, limitation, restriction or condition that would have an adverse effect on NSAM, Colony, NRF, Colony NorthStar or the consummation of such Mergers or would materially reduce the benefits of such Mergers to NSAM, Colony, NRF or Colony NorthStar. Evercore assumed the final versions of all documents reviewed by Evercore in draft form would conform in all material respects to the drafts reviewed by Evercore.

Evercore did not make nor assume any responsibility for making any independent valuation or appraisal of the assets or liabilities of NSAM, Colony or NRF, nor was it furnished with any such appraisals, nor did it evaluate the solvency or fair value of NSAM, Colony or NRF under any state or federal laws relating to bankruptcy, insolvency or similar matters. Evercore's opinion was necessarily based upon information made available to Evercore as of June 2, 2016 and the financial, economic, market and other conditions as they existed and as could be evaluated on such date. Evercore's opinion noted that subsequent developments may affect Evercore's opinion and that Evercore does not have any obligation to update, revise or reaffirm its opinion.

Evercore was not asked to pass upon, and expressed no opinion with respect to, any matter other than the fairness, after giving effect to the original NSAM special dividend, of: (i) the NRF exchange ratio; (ii) the Colony class A exchange ratio; and (iii) the Colony class B exchange ratio, from a financial point of view, to the holders of NSAM common stock. Evercore expressed no view on, and its opinion did not address, the fairness of the NRF merger and Colony merger to any other persons or holders of any securities, creditors or other constituencies of NSAM, Colony or NRF, nor any view as to the fairness of the amount or nature of any compensation to be paid or payable to any of the officers, directors or employees of NSAM, Colony or NRF or any classes of such persons. Evercore assumed that any modification to the structure of the transaction would not vary its analysis in any material respect. Evercore's opinion was rendered prior to the negotiation and execution of the letter agreements dated July 28, 2016 and October 16, 2016, among the parties to the merger agreement and the change from the original NSAM special dividend to the NSAM special dividend, and thus Evercore did not consider such matters in connection with its opinion. Evercore's opinion did not address the relative merits of the NRF merger and Colony merger as compared to other business or financial strategies that might be available to NSAM, nor did it address the underlying business decision of NSAM to engage in the NRF merger and Colony merger. Evercore's opinion letter, and its opinion, did not constitute a recommendation to the NSAM special committee or to any other persons in respect of the NRF merger and Colony merger, including as to how any holder of NSAM common

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stock should act or vote in respect of such Mergers. Evercore expressed no opinion as to the price at which any securities of NSAM or Colony NorthStar will trade at any time. Evercore is not a legal, regulatory, accounting or tax expert and assumed the accuracy and completeness of assessments by NSAM and its advisors with respect to legal, regulatory, accounting and tax matters.

Evercore's opinion was only one of many factors considered by the NSAM special committee in its evaluation of the transaction and should not be viewed as determinative of the views of the NSAM special committee with respect to the transaction or the NRF exchange ratio, the Colony class A exchange ratio or the Colony class B exchange ratio.

Summary of Material Financial Analysis

The following is a brief summary of the material financial and comparative analyses that Evercore deemed to be appropriate for this type of transaction and that were reviewed with the NSAM special committee in connection with delivering Evercore's opinion. The summary of Evercore's financial analyses described below is not a complete description of the analyses underlying its opinion. The preparation of a financial opinion is a complex analytical process involving various determinations as to the most appropriate and relevant methods of financial analyses and the application of those methods to the particular circumstances and, therefore, is not readily susceptible to summary description.

The summary of the analyses and reviews provided below includes information presented in tabular format. In order to fully understand Evercore's analyses and reviews, the tables must be read together with the full text of each summary. The tables alone do not constitute a complete description of Evercore's analyses and reviews. Considering the data in the tables below without considering the full description of the analyses and reviews, including the methodologies and assumptions underlying the analyses and reviews, could create a misleading or incomplete view of Evercore's analyses and reviews.

For purposes of its financial analyses, Evercore assumed that the original NSAM special dividend would be paid to holders of NSAM common stock prior to the closing of the Mergers. The expected transaction cost synergies were not taken into account when calculating the implied exchange ratios described below. To the extent that any of the quantitative data used in Evercore's financial analyses or described in this summary thereof is based on market data, it is based on market data as it existed on or before May 6, 2016, the day that NSAM, Colony and NRF confirmed discussions of exclusivity related to a potential three-way merger and is not necessarily indicative of current market conditions. Any references below to NSAM's, Colony's or NRF's "implied equity value" should be interpreted to refer to the equity value of such Company's common stock only.

Discounted Cash Flow Analysis

Evercore performed a discounted cash flow analysis of NSAM to calculate the estimated present value as of March 31, 2016 of the standalone after-tax unlevered free cash flow that NSAM was projected to generate from April 1, 2016 through December 31, 2018 based on projections received from the management of NSAM, assuming: (i) a tax rate of 15%; (ii) the full burden of equity-based compensation (assumed to be uniformly paid in 2016; equity-based compensation is calculated assuming that 1% of the previous year's shares outstanding are issued at a stock price that assumes projected earnings per share growth and does not capture the impact of existing equity-based grants); (iii) the deduction of dividends from 2,713,750 shares of NRF common stock owned by NSAM; and (iv) adjustments for: (A) NSAM's investment in Townsend Holdings LLC, summarized above in the section entitled "Parties to the Merger Agreement NorthStar Asset Management Group Inc." beginning on page 81 of this joint proxy statement/prospectus; and (B) changes in working capital.

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Evercore also calculated a terminal value for NSAM by applying a range of perpetuity growth rates, based on its professional judgment and experience and given the nature of NSAM and its business and the industries in which it operates, from 1.00% to 3.00%, to the projected standalone unlevered after-tax free cash flow of NSAM in the terminal year. The cash flow and the terminal value were then discounted to present value using a discount rate of 10.0% to 11.0%, based on an estimate of NSAM's weighted average cost of capital calculated using the capital asset pricing model, to derive a range of implied enterprise values for NSAM. A range of implied equity values for NSAM was then calculated by reducing the range of implied enterprise values by the amount of NSAM's projected net borrowings (calculated as debt less cash and cash equivalents), adding the market value of 2,713,750 shares of NRF common stock owned by NSAM (based on a May 6, 2016 closing price of \$13.00 per share) and adding the value of minority interests. Evercore's analysis resulted in an implied equity value per share reference range for NSAM on a standalone basis of approximately \$11.52 to \$16.56. From these values, Evercore deducted the value of the original NSAM special dividend attributable to each share, resulting in an implied equity value per share reference range of approximately \$10.87 to \$15.91.

*Dividend Discount Analysis*Colony

Evercore performed a dividend discount analysis of Colony by valuing the projected standalone quarterly dividend payments to be received by the holders of Colony common stock from June 30, 2016 through December 31, 2018, including special dividends to be paid, based on projections received from the management of Colony and assuming regular dividends would be paid quarterly in perpetuity. Evercore also calculated a terminal value for Colony by applying a range of annualized perpetuity growth rates, based on its professional judgment and experience given the nature of Colony and its business and the industries in which it operates, from 2.00% to 3.00%, to the quarterly dividend of Colony in the terminal quarter. The dividend payments and the terminal value were discounted to present value using a discount rate of 8.5% to 9.5%, based on Colony's cost of equity as calculated using the capital asset pricing model, resulting in an implied equity value per share range of approximately \$21.56 to \$28.34.

NRF

Evercore performed a similar dividend discount analysis of NRF by valuing the projected standalone quarterly dividend payments to be received by holders of NRF common stock from June 30, 2016 through December 31, 2018 based on projections received from the management of NRF and assuming dividends would be paid quarterly in perpetuity. Evercore also calculated a terminal value for NRF by applying a range of annualized perpetuity growth rates, based on its professional judgment and experience given the nature of NRF and its business and the industries in which it operates, from 2.00% to 3.00%, to the quarterly dividend of NRF in the terminal quarter. The dividend payments and the terminal value were discounted to present value using a discount rate of 11.5% to 12.5%, based on NRF's cost of equity as calculated using the capital asset pricing model, resulting in an implied equity value per share range of approximately \$14.78 to \$17.81.

Implied Exchange Ratio Analysis: Dividend Discount / Discounted Cash Flow Analysis

Evercore calculated implied exchange ratio reference ranges for each of Colony and NRF as compared to NSAM by dividing the low end of the Dividend Discount implied equity value per share reference ranges for Colony and NRF, as applicable, by the high end of the Discounted Cash Flow implied equity value per share reference range for NSAM and the high end of the Dividend Discount implied equity value per share reference ranges for Colony and NRF, as applicable, by the low end of the Discounted Cash Flow implied equity value per share reference range for NSAM. This analysis

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indicated implied exchange ratio reference ranges of: (i) 1.3548 to 2.6081 shares of Colony NorthStar common stock for each share of Colony common stock in the Colony merger; and (ii) 0.9288 to 1.6388 shares of Colony NorthStar class A common stock for each share of NRF common stock in the NRF merger. Evercore compared these implied exchange ratios to the exchange ratios in the merger agreement of 1.4663 shares of Colony NorthStar common stock for each share of Colony common stock and 1.0996 shares of Colony NorthStar common stock for each share of New NRF Parent common stock.

Company	Analysis	Implied Equity Value Per Share	Implied Exchange Ratio (Compared to NSAM)
NSAM	Discounted Cash Flow	\$10.87 to \$15.91	N/A
Colony	Dividend Discount	\$21.56 to \$28.34	1.3548x to 2.6081x
NRF	Dividend Discount	\$14.78 to 17.81	0.9288x to 1.6388x

Peer Group Trading Analysis

In performing a peer group trading analysis of NSAM, Evercore reviewed publicly available financial and market information for NSAM and the selected public companies listed below, which we refer to as the NSAM peer group companies, which Evercore, based on its professional judgment and experience, deemed most relevant to consider in relation to NSAM, because they are public companies with operations that for purposes of this analysis Evercore considered similar to the operations of one or more of the business lines of NSAM. Evercore reviewed, among other things, the price-to-earnings ratio, which we refer to as the P/E ratio, of each of the NSAM peer group companies.

	2016E P/E Ratio	2017E P/E Ratio
Affiliated Managers	12.1x	10.6x
AllianceBernstein	12.5	11.2
Ameriprise Financial	9.9	8.5
Artisan Partners	13.6	12.7
BlackRock	18.3	15.6
Calamos	33.6	17.0
Cohen & Steers	19.9	16.4
Eaton Vance	16.1	14.3
Federated Investors	15.9	14.8
Franklin Resources	13.2	12.5
Gabelli/GAMCO	10.2	12.5
Invesco	12.7	10.5
Janus Capital	15.9	13.3
Legg Mason	18.1	10.1
Manning & Napier	11.6	11.4
OM Asset Management	11.8	10.6
Pzena	23.1	19.3
T. Rowe Price	16.2	14.8
Virtus Investment Partners	14.2	12.7
Waddell & Reed	9.4	9.8

Based on this review and its professional judgment and experience, Evercore then applied: (i) a reference range of P/E multiples of 13.0x to 16.0x to NSAM's 2016E CAD fully burdened by equity-based compensation, which we refer to as adjusted CAD, for an implied equity value per share range of approximately \$13.74 to \$17.06 (after adjusting for the value of the original NSAM special dividend attributable to each share); and (ii) a reference range of P/E multiples of 12.5x to 15.0x to NSAM's 2017E adjusted CAD, for an implied equity value per share range of approximately \$14.27 to \$17.26 (after adjusting for the value of the original NSAM special dividend attributable to each share). Equity-based compensation is calculated assuming that 1% of the previous year's shares outstanding are

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issued at a stock price that assumes projected earnings per share growth and does not capture the impact of existing equity-based grants.

Sum-of-the-Parts Analysis

Colony

Evercore performed an analysis of Colony on a sum-of-the-parts basis by performing a net asset value, which we refer to as NAV, calculation for the following business segments and assets of Colony OP in each case based upon forecasts and other financial information provided by Colony's management: (i) CLIP real estate; (ii) Investments in Colony Starwood Homes, which we refer to as SFR, and Colony American Finance, LLC, which we refer to as CAF; (iii) other real estate equity; (iv) real estate debt; and (v) investment management.

For purposes of the CLIP real estate business segment, Evercore reviewed certain publicly available financial information (including capitalization rates as of May 6, 2016, noted in parentheses) for EastGroup Properties, Inc. (6.06%), First Industrial Realty Trust, Inc. (6.15%) and PS Business Parks, Inc. (6.20%), which companies we refer to collectively as the industrial REIT comps, and which, in the exercise of its professional judgment and experience, Evercore deemed to be relevant to its analysis. Based upon its professional judgment and experience, Evercore derived a capitalization rate reference range of 6.06% to 6.20% that was then applied to the estimated net operating income of the CLIP real estate business segment for calendar year 2016 as provided by Colony management. After subtracting the CLIP real estate business segment's debt and goodwill, this analysis resulted in an NAV range for the CLIP real estate business segment of approximately \$567 million to \$597 million.

For purposes of the investment in SFR, Evercore multiplied the SFR share price as of May 6, 2016 of \$25.77 by 15.120 million shares owned by Colony according to information provided by Colony management, resulting in an NAV of approximately \$390 million. For purposes of the investment in CAF, Evercore reviewed certain publicly available financial information (including stock price to book value multiples as of May 6, 2016, noted in parentheses) for Starwood Property Trust, Inc. (1.15x), Blackstone Mortgage Trust, Inc. (1.06x), Ladder Capital Corp (0.86x), Ares Commercial Real Estate Corporation (0.81x) and Apollo Commercial Real Estate Finance, Inc. (0.79x), which companies we refer to collectively as the commercial mortgage REIT comps, and which, in the exercise of its professional judgment and experience, Evercore deemed to be relevant to its analysis. Based upon its professional judgment and experience, Evercore derived a stock price to book value multiple range of 0.79x to 1.15x and applied this range to the book value of the CAF investment, according to information provided by Colony management. This resulted in an NAV range for the CAF investment of approximately \$45 million to \$65 million and a total NAV range for the SFR and CAF investments of approximately \$434 million to \$455 million.

For purposes of the Other Real Estate Equity assets, Evercore calculated the NAV for the following categories of assets: NNN investments, joint venture assets, the investment in Safeway, Inc., which we refer to as Safeway and assets held for sale.

For purposes of the NNN investments, Evercore reviewed certain publicly available financial information (including capitalization rates as of May 6, 2016, noted in parentheses) for Lexington Realty Trust (7.4%), Gramercy Property Trust (6.7%) and Select Income REIT (6.9%), which companies we refer to collectively as the NNN comps, and which, in the exercise of its professional judgment and experience, Evercore deemed to be relevant to its analysis. Based upon its professional judgment and experience, Evercore derived a capitalization rate reference range of 6.7% to 7.4% that was then applied to the estimated 2016 net operating income (based on annualized first quarter 2016 net operating income) of the NNN investments' assets for the annualized first quarter 2016 as provided by Colony management. After subtracting the NNN investments' financing, this analysis resulted in a NAV range for the NNN investments of approximately \$144 to \$203 million.

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For purposes of the joint venture assets, Evercore reviewed financial information provided by Colony regarding the book values of its joint venture consolidated assets, joint venture consolidated debt and joint venture unconsolidated investments (net book value) to calculate a joint venture net book value. Evercore then multiplied this joint venture net book value by a multiple range of 1.20x to 1.50x, which it derived based on its professional judgment and experience. This resulted in an NAV range for the joint venture assets of approximately \$303 million to \$379 million.

For purposes of the investment in Safeway, Evercore assumed, based on information provided by Colony's management, ownership of 8.45 million shares of Safeway and multiplied this by an equity value per share range of \$20.00 to \$25.00 based on a preliminary valuation in connection with an IPO contemplated by Safeway in 2015. This resulted in an NAV range for the investment in Safeway of approximately \$169 million to \$211 million.

For purposes of the assets held for sale, Evercore assumed a book value of such assets of \$32 million based on information provided by Colony's management. Evercore then multiplied this book value by the commercial mortgage REIT comps multiple range of 0.79x to 1.15x. This resulted in an NAV range for the assets held for sale of approximately \$25 million to \$37 million.

Evercore totaled each of the low end and each of the high end of the NAV ranges for the NNN investments, joint venture assets, Safeway investment and assets held for sale, which resulted in an NAV range of approximately \$641 million to \$830 million for the other real estate equity assets.

For purposes of the real estate debt assets, Evercore was provided the book values of the purchased credit-impaired loans, non-PCI loans and real estate and related assets (\$204 million, \$1,744 million and \$31 million, respectively) from information provided by Colony's management and multiplied such book values by the commercial mortgage REIT comps multiple range of 0.79x to 1.15x. This resulted in an NAV range for the real estate debt assets of approximately \$1,565 million to \$2,275 million.

For purposes of the investment management assets, Evercore multiplied the Core FFO from the investment management division of Colony (as provided by Colony's management) by a reference range of 13.0x to 16.0x, which Evercore derived based on its professional judgment and experience. This resulted in an NAV range for the investment management assets of approximately \$528 million to \$650 million.

Evercore totaled each of the low end and each of the high end of the NAV ranges for the CLIP real estate, SFR/CAF investments, other real estate equity, real estate debt and investment management assets of Colony. Evercore then subtracted the book values of Colony's preferred stock and debt, subtracted the contingent consideration arrangement discussed in the section entitled "Other Related Agreements The Amendment to the Colony Contribution and Implementation Agreement" beginning on page 309 of this joint proxy statement/prospectus, added the book value of certain other assets and subtracted certain other liabilities. This resulted in an NAV range for Colony OP of approximately \$2,181 million to \$3,250 million. Evercore then divided the NAV range by the total number of Colony common stock shares outstanding according to Colony's management, resulting in an NAV per share of approximately \$16.05 to \$23.92.

NRF

Evercore performed a sum-of-the-parts analysis for NRF based upon the implied values for the following business segments of NRF, in each case based upon forecasts and other financial

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information provided by NRF's management: (i) healthcare; (ii) hotel; (iii) net lease; and (iv) multi-tenant office.

For purposes of this analysis, Evercore reviewed certain publicly available financial information (including capitalization rates as of May 6, 2016, noted in parentheses) for the following publicly traded companies, which, in the exercise of its professional judgment and experience, Evercore deemed to be relevant to its analysis: (i) for the healthcare business segment: Welltower Inc. (6.6%), Ventas, Inc. (6.6%), HCP, Inc. (6.8%) and Senior Housing Properties Trust (7.5%); (ii) for the hotel business segment: Apple Hospitality REIT, Inc. (7.9%), RLJ Lodging Trust (7.5%), Hersha Hospitality Trust (7.0%), Summit Hotel Properties, Inc. (7.8%) and Chatham Lodging Trust (7.5%); (iii) for the net lease business segment: Lexington Realty Trust (7.4%), Gramercy Property Trust (6.7%) and Select Income REIT (6.9%); and (iv) for the multi-tenant office business segment: Franklin Street Properties Corp. (7.0%) and City Office REIT, Inc. (7.0%), which companies we refer to collectively as the NRF selected segment companies. For its analysis of the manufactured housing business segment, Evercore used publicly available terms of the agreement to sell NRF's manufactured housing business prior to closing. For its analysis of the multifamily business segment, Evercore reviewed certain financial information relevant to the multifamily business disclosed in NRF's publicly released fourth quarter 2015 financials.

Based upon the review of the capitalization rates of the NRF selected segment companies, the manufactured housing sale information and the multifamily business financial information, Evercore derived capitalization rate reference ranges that were then applied to NRF's management's estimated run-rate net operating income for calendar year 2016 for the applicable business segment of NRF. This yielded an implied value range for the NRF business segments of \$11,490 million to \$12,181 million.

Evercore then calculated a range of values for the NRF management agreement (assuming a net present value of a perpetual revenue stream of \$185 million and approximately \$9 million of reimbursed general and administrative costs grown at 3.0%) by performing a discounted cash flow analysis using a range of discount rates of 8.0% to 10.0% and a range of EBITDA margins on revenue of 60.0% to 70.0%. The range of values was then deducted from the total of the implied values of NRF's business segments. Evercore then added the values of the private equity funds, balance sheet loans, commercial mortgage backed securities, collateralized debt obligations, other unconsolidated joint venture assets and cash and cash equivalents, as provided by NRF's management. This analysis resulted in a range of implied values for NRF's total operating assets of approximately \$12,038 million to \$13,333 million.

Evercore then calculated NRF's implied equity value by subtracting the value of NRF's total liabilities of \$8,783 million and subtracting the value of NRF's preferred stock of \$987 million, each as of March 31, 2016 and based on projections provided by NRF's management. This resulted in a range of implied equity values of NRF of approximately \$2,269 million to \$3,564 million. Taking into account the number of shares of NRF common stock outstanding as of May 31, 2016 as provided by NRF's management, this analysis resulted in a range of implied equity values per share of NRF common stock of approximately \$12.21 to \$19.17.

Implied Exchange Ratio Analysis: Sum-of-the-Parts / Peer Group Trading

Evercore calculated implied exchange ratio reference ranges for each of Colony and NRF as compared to NSAM by dividing the low end of the Sum-of-the-Parts implied equity value per share reference ranges for Colony and NRF, as applicable, by the high end of the Peer Group Trading implied equity value per share reference ranges based upon NSAM's 2016E adjusted CAD and 2017E adjusted CAD and the high end of the Sum-of-the-Parts implied equity value per share reference ranges for Colony and NRF, as applicable, by the low end of the Peer Group Trading implied equity

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value per share reference ranges based upon NSAM's 2016E adjusted CAD and 2017E adjusted CAD. This analysis indicated implied exchange ratio reference ranges of: (i) 0.9406 to 1.7409 shares of Colony NorthStar common stock for each share of Colony common stock in the Colony merger based upon NSAM's 2016E adjusted CAD and 0.9298 to 1.6758 shares of Colony NorthStar common stock for each share of Colony common stock in the Colony merger based upon NSAM's 2017E adjusted CAD; and (ii) 0.7155 to 1.3954 shares of Colony NorthStar class A common stock for each share of NRF common stock in the NRF merger based upon NSAM's 2016E adjusted CAD and 0.7073 to 1.3431 shares of Colony NorthStar class A common stock for each share of NRF common stock in the NRF merger based upon NSAM's 2017E adjusted CAD. Evercore compared these implied exchange ratios to the exchange ratios in the merger agreement of 1.4663 shares of Colony NorthStar common stock for each share of Colony common stock and 1.0996 shares of Colony NorthStar common stock for each share of New NRF Parent common stock.

Company	Analysis	Implied Equity Value Per Share	Implied Exchange Ratio (based upon NSAM 2016E Adj. CAD)	Implied Exchange Ratio (based upon NSAM 2017E Adj. CAD)
NSAM				
2016E Adj. CAD	Peer Group	\$13.74 to		
	Trading	\$17.06	N/A	N/A
2017E Adj. CAD	Peer Group	\$14.27 to		
	Trading	\$17.26	N/A	N/A
Colony	Sum of the Parts	\$16.05 to		
		\$23.92	0.9406x to 1.7409x	0.9298x to 1.6758x
NRF	Sum of the Parts	\$12.21 to		
		\$19.17	0.7155x to 1.3954x	0.7073x to 1.3431x

Other Factors

Evercore also reviewed and considered other factors, which were not considered part of its financial analyses in connection with rendering its advice but were referenced for informational purposes, including, among other things, the last 12 month trading range, research analyst price targets, the historical share price ratio and a contribution analysis. Evercore noted that none of the foregoing constituted a valuation methodology and that the foregoing were presented for informational purposes only.

Last 12 Month Trading Range

Evercore reviewed historical trading prices of shares of NSAM common stock, Colony class A common stock and NRF common stock during the 12 month period ended May 6, 2016, noting that the low and high closing prices during such period ranged from \$8.66 to \$21.42 for NSAM (after adjusting for the original NSAM special dividend), \$15.17 to \$26.29 for Colony and \$8.57 to \$31.65 for NRF (historically adjusted for stock splits and spinoffs). Evercore calculated implied exchange ratio reference ranges for Colony and NRF by dividing the low end of the historical trading price ranges for Colony and NRF, as applicable, by the high end of the historical trading price range for NSAM and the high end of the historical trading price ranges for Colony and NRF, as applicable, by the low end of the historical trading price range for NSAM. This resulted in implied exchange ratio reference ranges of: (i) 0.7082 to 3.0359 shares of Colony NorthStar common stock for each share of Colony common stock in the Colony merger; and (ii) 0.4001 to 3.6549 shares of Colony NorthStar class A common stock for each share of NRF common stock in the NRF merger. Evercore compared these implied exchange ratios to the exchange ratios in the merger agreement of 1.4663 shares of Colony NorthStar common stock for each share of Colony common stock and 1.0996 shares of Colony NorthStar common stock for each share of New NRF Parent common stock.

Research Analyst Price Targets

Evercore reviewed publicly available share price targets of research analysts' estimates known to Evercore as of May 11, 2016, noting that the low and high share price targets ranged from \$15.00 to

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\$20.00 for NSAM, \$18.00 to \$30.00 for Colony and \$15.00 to \$38.00 for NRF. After adjusting for the original NSAM special dividend, Evercore calculated implied exchange ratio reference ranges for Colony and NRF by dividing the low end of the share price target ranges for Colony and NRF, as applicable, by the high end of the share price target range for NSAM and the high end of the share price target ranges for Colony and NRF, as applicable, by the low end of the share price target range for NSAM. This resulted in implied exchange ratio reference ranges of: (i) 0.9626 to 2.1898 shares of Colony NorthStar common stock for each share of Colony common stock in the Colony merger; and (ii) 0.7752 to 2.6481 shares of Colony NorthStar class A common stock for each share of NRF common stock in the NRF merger. The price targets published by equity research analysts do not necessarily reflect current market trading prices for NSAM common stock, Colony class A common stock and NRF common stock and these price targets are subject to numerous uncertainties, including the future financial performance of each Company and market conditions. Evercore compared these implied exchange ratios to the exchange ratios in the merger agreement of 1.4663 shares of Colony NorthStar common stock for each share of Colony common stock and 1.0996 shares of Colony NorthStar common stock for each share of New NRF Parent common stock.

Historical Share Price Ratio

Evercore also reviewed the historical share price ratio of shares of Colony class A common stock to shares of NSAM common stock from April 2, 2015 (the date of the Colony internalization transaction) to May 6, 2016 by dividing the closing price for shares of Colony class A common stock by the closing price for shares of NSAM common stock (after adjusting for the original NSAM special dividend) as of the end of each trading day during this period. This indicated an implied exchange ratio reference range of 1.1257 to 1.9210 shares of Colony NorthStar common stock for each share of Colony common stock in the Colony merger. Evercore compared this implied exchange ratio to the exchange ratio in the merger agreement of 1.4663 shares of Colony NorthStar common stock for each share of Colony common stock.

Evercore reviewed the historical share price ratio of shares of NRF common stock to shares of NSAM common stock from July 1, 2014 to May 6, 2016 (with NRF prices historically adjusted for stock splits and spinoffs) by dividing the closing price for shares of NRF common stock by the closing price for shares of NSAM common stock (after adjusting for the original NSAM special dividend) as of the end of each trading day during this period. This indicated an implied exchange ratio reference range of 0.9851 to 1.8170 shares of Colony NorthStar class A common stock for each share of NRF common stock in the NRF merger. Evercore compared this implied exchange ratio to the exchange ratio in the merger agreement of 1.0996 shares of Colony NorthStar class A common stock for each share of New NRF Parent common stock.

Contribution Analysis

Colony

Evercore analyzed the respective contributions of NSAM and Colony to the CAD (Core FFO) and adjusted CAD (Adjusted Core FFO) of a combined NSAM/Colony company for the years 2016, 2017 and 2018, based on projections provided by the management of NSAM and Colony and taking

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into account the original NSAM special dividend. This analysis indicated the relative contributions of NSAM and Colony and the implied exchange ratio of shares of a combined NSAM/Colony company.

	NSAM Standalone (in millions)	Colony Standalone (in millions)	NSAM Contribution	Colony Contribution	Implied Exchange Ratio ⁽¹⁾
<u>CAD (Core FFO)</u>					
2016E	\$ 237	\$ 271	47%	53%	1.7605x
2017E	\$ 256	\$ 330	44%	56%	1.9841x
2018E	\$ 281	\$ 389	42%	58%	2.1376x
<u>Adj. CAD (Adj. Core FFO)</u>					
2016E	\$ 211	\$ 258	45%	55%	1.8755x
2017E	\$ 229	\$ 311	42%	58%	2.0991x
2018E	\$ 251	\$ 366	41%	59%	2.2551x

(1) Implied exchange ratio reflects impact of the original NSAM special dividend.

NRF

Evercore analyzed the respective contributions of NSAM and NRF to the CAD (Core FFO) and adjusted CAD (Adjusted Core FFO) of a combined NSAM/NRF company for the years 2016, 2017 and 2018, based on projections provided by the management of NSAM and NRF and taking into account the original NSAM special dividend. This analysis indicated the relative contributions of NSAM and NRF and the implied exchange ratio of shares of a combined NSAM/NRF company.

	NSAM Standalone (in millions)	NRF Standalone (in millions)	NSAM Contribution	NRF Contribution	Implied Exchange Ratio ⁽¹⁾
<u>CAD (Core FFO)</u>					
2016E	\$ 237	\$ 417	36%	64%	2.0136x
2017E	\$ 256	\$ 288	47%	53%	1.2697x
2018E	\$ 281	\$ 263	52%	48%	1.0517x
<u>Adj. CAD (Adj. Core FFO)</u>					
2016E	\$ 211	\$ 396	35%	65%	2.1444x
2017E	\$ 229	\$ 267	46%	54%	1.3202x
2018E	\$ 251	\$ 244	51%	49%	1.0926x

(1) Implied exchange ratio reflects impact of the original NSAM special dividend.

Miscellaneous

In arriving at its opinion, Evercore did not draw, in isolation, conclusions from or with regard to any factor or analysis considered by it. Rather, Evercore made its determination as to fairness on the basis of its experience and professional judgment after considering the results of all of the analyses. The order of the analyses and reviews described in the summary above and the results thereof do not represent the relative importance or weight given to these analyses and reviews by Evercore. Considering selected portions of the analyses and reviews in the summary set forth above, without considering the analyses and reviews as a whole, could create an incomplete or misleading view of the analyses and reviews underlying Evercore's opinion. Evercore may have considered various assumptions more or less probable than other assumptions, so the range of valuations and implied exchange ratios resulting from any particular analysis should therefore not be taken to represent Evercore's view of the value of NSAM, Colony or NRF.

For purposes of its analyses and reviews, Evercore considered industry performance, general business, economic, market and financial conditions and other matters, many of which are beyond the control of NSAM, Colony, NRF and their advisors. No company or business used in Evercore's

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analyses and reviews as a comparison is identical to NSAM, Colony or NRF and an evaluation of the results of those analyses and reviews is not entirely mathematical. Rather, the analyses and reviews involve complex considerations and judgments concerning financial and operating characteristics and other factors that could affect the acquisition, public trading or other values of the companies, businesses or transactions used in Evercore's analyses and reviews. The estimates contained in Evercore's analyses and reviews and the ranges of valuations resulting from any particular analysis or review are not necessarily indicative of actual values or predictive of future results or values, which may be significantly more or less favorable than those suggested by Evercore's analyses and reviews. In addition, analyses and reviews relating to the value of companies, businesses or securities do not purport to be appraisals or to reflect the prices at which companies, businesses or securities actually may be sold. Accordingly, the estimates used in, and the results derived from, Evercore's analyses and reviews are inherently subject to substantial uncertainty, and Evercore assumes no responsibility if future results or values are materially different from those forecasted in such estimates.

Under the terms of Evercore's engagement, Evercore provided the NSAM special committee with financial advisory services and delivered a fairness opinion to the NSAM special committee in connection with the transaction. Pursuant to the terms of its engagement letter, dated March 21, 2016, NSAM has agreed to pay Evercore certain fees for its services in connection with its engagement. Evercore received a fee of \$1 million upon execution of the engagement letter, earned \$500,000 per month for the first three months of its engagement and is entitled to ongoing fees of \$250,000 per month in connection with its engagement. Evercore also received an opinion fee of \$2 million upon delivery of its fairness opinion to the NSAM special committee. In addition, Evercore may receive a discretionary fee of up to \$7 million, which amount, if any, shall be determined by the NSAM special committee in its sole discretion.

In addition, NSAM has agreed to reimburse Evercore for its reasonable, documented out-of-pocket expenses (including legal fees, expenses and disbursements) incurred in connection with its engagement and to indemnify Evercore and any of its members, partners, officers, directors, advisors, representatives, employees, agents, affiliates or controlling persons, if any, against certain liabilities and expenses arising out of Evercore's engagement, any services performed by Evercore in connection therewith or any transaction contemplated thereby.

In the two year period prior to the date of its opinion, Evercore and its affiliates had no material relationship with NSAM, Colony or NRF pursuant to which any compensation was received by Evercore or its affiliates as a result of such relationship.

With respect to the NRF merger and Colony merger, Evercore did not recommend any specific exchange ratios to the NSAM special committee or NSAM's management or that any specific exchange ratios constituted the only appropriate exchange ratios in such Mergers for the holders of NSAM common stock.

In the ordinary course of business, Evercore or its affiliates may actively trade the securities, related derivative securities or financial instruments of NSAM, Colony or NRF and their respective affiliates for its own account and for the accounts of its customers and, accordingly, may at any time hold a long or short position in such securities or instruments.

The issuance of Evercore's opinion was approved by an opinion committee of Evercore.

The NSAM special committee engaged Evercore to act as one of its financial advisors based on its qualifications, experience and reputation, as well as its familiarity with the business of NSAM. Evercore is an internationally recognized investment banking firm and is regularly engaged in the

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valuation of businesses in connection with mergers and acquisitions, leveraged buyouts, competitive biddings, private placements and valuations for corporate and other purposes.

Opinion of NSAM's Financial Advisor

NSAM retained Goldman Sachs as financial advisor to advise it in connection with the Mergers and related transactions contemplated by the merger agreement (the merger agreement referred to in this section (Opinion of NSAM's Financial Advisor) is the merger agreement as of June 2, 2016 and not as amended by the July 28, 2016 and October 16, 2016 amendments described herein). In connection with this engagement, the NSAM board requested that Goldman Sachs evaluate the fairness, from a financial point of view, to the holders (other than Colony, NRF and their respective affiliates) of the NSAM common stock, as of June 2, 2016 and taking into account the original NSAM special dividend, the NRF merger and the Colony merger, of the NSAM exchange ratio, pursuant to the merger agreement. On June 2, 2016, Goldman Sachs rendered to the NSAM board its oral opinion, which was subsequently confirmed by delivery of a written opinion dated as of such date, that, as of such date and based upon and subject to the factors and assumptions set forth in Goldman Sachs' written opinion, and taking into account the original NSAM special dividend, the NRF merger and the Colony merger, the NSAM exchange ratio pursuant to the merger agreement was fair, from a financial point of view, to the holders (other than Colony, NRF and their respective affiliates) of NSAM common stock.

The full text of Goldman Sachs' written opinion, dated June 2, 2016, which sets forth the assumptions made, procedures followed, matters considered and qualifications and limitations on the review undertaken by Goldman Sachs in connection with its opinion, is attached as Annex E to this joint proxy statement/prospectus and is incorporated herein by reference in its entirety. **Goldman Sachs' financial advisory services and opinion were provided for the information and assistance of the NSAM board in connection with and for purposes of its consideration of the transactions contemplated by the merger agreement.** The Goldman Sachs opinion is not a recommendation as to how any holder of NSAM common stock should vote with respect to the transactions contemplated by the merger agreement or any other matter.

In connection with rendering its opinion, Goldman Sachs reviewed, among other things:

a substantially final draft of the merger agreement, dated June 2, 2016;

annual reports to stockholders and Annual Reports on Form 10-K of NSAM for the two fiscal years ended December 31, 2015;

NSAM's Registration Statement on Form 10, including NSAM's Information Statement, dated June 24, 2014 relating to the distribution of NSAM's common stock by NRF;

annual reports to the stockholders and Annual Reports on Form 10-K of NRF for the five fiscal years ended December 31, 2015;

annual reports to stockholders and Annual Reports on Form 10-K of Colony for the five fiscal years ended December 31, 2015;

certain interim reports to stockholders and Quarterly Reports on Form 10-Q of NSAM, NRF and Colony; certain other communications from NSAM, NRF and Colony to their respective stockholders;

certain publicly available research analyst reports for NSAM, Colony and NRF;

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certain internal financial analyses and forecasts for Colony prepared by its management, including certain operating synergies projected by Colony to result from the transactions; certain internal financial analyses and forecasts for NRF prepared by its management, including certain operating synergies projected by NRF to result from the transactions; and

certain internal financial analysis and forecasts for NSAM and certain financial analyses and forecasts for Colony, NRF and Colony NorthStar prepared by management of NSAM, in each case, as approved for Goldman Sachs' use by NSAM, which we refer to as the Forecasts, including certain operating synergies projected by the management of NSAM to result from the transactions, as approved for Goldman Sachs' use by management of NSAM.

Goldman Sachs also held discussions with members of the senior management of NSAM, Colony and NRF regarding their assessment of the strategic rationale for, and the potential benefits of, the transactions and the past and current business operations, financial condition and future prospects of NSAM, Colony, NRF and Colony NorthStar; reviewed the reported price and trading activity for NSAM common stock, Colony class A common stock and NRF common stock; compared certain financial and stock market information for NSAM, Colony and NRF with similar information for certain other companies the securities of which are publicly traded; reviewed the financial terms of certain recent business combinations in the real estate asset management industry and in other industries; and performed such other studies and analyses and considered such other factors, as Goldman Sachs deemed appropriate.

For purposes of rendering the opinion described above, Goldman Sachs relied upon and assumed, without assuming any responsibility for independent verification, the accuracy and completeness of all of the financial, legal, accounting, tax and other information provided to, discussed with or reviewed by it, and it does not assume any responsibility for any such information. Goldman Sachs did not make an independent evaluation or appraisal of the assets and liabilities (including any contingent, derivative or other off-balance-sheet assets and liabilities) of NSAM, Colony, NRF, Colony NorthStar, New NRF Parent, NRF OP Merger Sub, New Parent Merger Sub, NSAM LP, NSAM Jersey, Colony OP, NRF LP or any of their respective subsidiaries, nor was any evaluation or appraisal of the assets or liabilities of NSAM, Colony, NRF, Colony NorthStar, New NRF Parent, NRF OP Merger Sub, New Parent Merger Sub, NSAM LP, NSAM Jersey, Colony OP, NRF LP or any of their respective subsidiaries furnished to Goldman Sachs. Goldman Sachs assumed that all governmental, regulatory or other consents and approvals necessary for the consummation of the transactions will be obtained without any adverse effect on NSAM, Colony, NRF, Colony NorthStar or New NRF Parent or on the expected benefits of the transactions in any way meaningful to its analysis. Goldman Sachs has also assumed that the original NSAM special dividend will be paid in the amount of a pro rata portion of \$128 million in cash to each holder of NSAM common stock before the closing of the Redomestication merger and that the transactions will be consummated on the terms set forth in the merger agreement, without the waiver or modification of any term or condition the effect of which would be in any way meaningful to its analysis.

Goldman Sachs' opinion does not address the underlying business decision of NSAM to engage in the transactions or the relative merits of the transactions as compared to any strategic alternatives that may be available to NSAM; nor does it address any legal, regulatory, tax or accounting matters. Goldman Sachs' opinion addresses only the fairness from a financial point of view, to the holders (other than Colony, NRF and their respective affiliates) of NSAM common stock, as of the date of the opinion and taking into account the original NSAM special dividend, the NRF merger and the Colony merger, of the NSAM exchange ratio, pursuant to the merger agreement. Goldman Sachs' opinion does not express any view on, and does not address, any other term or aspect of the merger agreement or the transactions, including the two separate letter agreements, respectively dated July 28, 2016 and October 16, 2016, among the parties to the merger agreement, the replacement of the

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original NSAM special dividend with the NSAM special dividend, the Colony class A exchange ratio, the Colony class B exchange ratio, the NRF exchange ratio, the treatment of partnership units in NSAM LP, the treatment of the limited liability company interests in NSAM Jersey, the transactions pursuant to Sections 2.01(b), (c), (d), (e) and (f) of the merger agreement, Sections 2.13 and 2.14 of the merger agreement and Section 2.24 of the merger agreement (including the transactions set forth in Exhibit C of the merger agreement) or any term or aspect of any other agreement or instrument contemplated by the merger agreement or entered into or amended in connection with the transactions, including, without limitation, the fairness of the transactions to, or any consideration received in connection therewith by, the holders of any other class of securities, creditors or other constituencies of NSAM; nor as to the fairness of the amount or nature of any compensation to be paid or payable to any of the officers, directors or employees of NSAM, or class of such persons, in connection with the transactions, whether relative to the NSAM exchange ratio, pursuant to the merger agreement and taking into account the original NSAM special dividend, the NRF merger and the Colony merger, or otherwise. Goldman Sachs' opinion was necessarily based on economic, monetary market and other conditions, as in effect on, and the information made available to it as of, the date of the opinion and Goldman Sachs assumed no responsibility for updating, revising or reaffirming its opinion based on circumstances, developments or events occurring after the date of its opinion. In addition, Goldman Sachs does not express any opinion as to the prices at which the shares of Colony NorthStar common stock will trade at any time or as to the impact of the transactions on the solvency or viability of NSAM, Colony, NRF, Colony NorthStar, New NRF Parent, NRF OP Merger Sub, New Parent Merger Sub, NSAM LP, NSAM Jersey, Colony OP or NRF LP or the ability of NSAM, Colony, NRF, Colony NorthStar, New NRF Parent, NSAM LP, NSAM Jersey, Colony OP or NRF LP to pay their respective obligations when they come due. Goldman Sachs' opinion was approved by a fairness committee of Goldman Sachs.

Summary of Material Financial Analysis

The following is a summary of the material financial analyses delivered by Goldman Sachs to the NSAM board in connection with rendering the opinion described above. The following summary, however, does not purport to be a complete description of the financial analyses performed by Goldman Sachs, nor does the order of analyses described represent relative importance or weight given to those analyses by Goldman Sachs. Some of the summaries of the financial analyses include information presented in tabular format. The tables must be read together with the full text of each summary and are alone not a complete description of Goldman Sachs' financial analyses. Except as otherwise noted, the following quantitative information, to the extent that it is based on market data, is based on market data as it existed on or before June 1, 2016, the last trading day before Goldman Sachs presented its financial analysis to the NSAM board on June 2, 2016, and is not necessarily indicative of current market conditions.

Implied Premia Analysis

Goldman Sachs calculated the implied value per share of NSAM common stock reflected by the NSAM exchange ratio and accounting for the payment of the pro rata portion of the original NSAM special dividend to each outstanding share of NSAM common stock. In addition, the calculation assumes, at the direction of NSAM's management, that the fully diluted share counts of NSAM common stock, as provided by NSAM's management, and NRF common stock, as provided by NRF's management and approved for Goldman Sachs' use by NSAM's management, are adjusted to reflect voluntary forfeitures of equity awards by NSAM and NRF executives and employee equity awards of NSAM and NRF that will be cancelled at closing without receipt of any consideration. Finally, the calculation assumes the exchange ratios are as set forth in the merger agreement. Using the closing price on June 1, 2016 of \$12.17 per share of NSAM common stock, \$18.42 per share of Colony class A

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common stock and \$13.50 per share of NRF common stock, this calculation resulted in an implied value of \$12.87 per share of NSAM common stock.

Using the results of the calculations described above, Goldman Sachs calculated the following premia:

the implied value of the NSAM exchange ratio as a premium to the closing price of NSAM on June 1, 2016;

the implied value of the NSAM exchange ratio as a premium to the closing price of NSAM on May 6, 2016, the date that NSAM publicly announced it had entered into exclusive negotiations with Colony and NRF based upon a joint proposal from Colony and NRF for a tri-party all stock "at the market" business combination based upon historical trading prices;

the implied value of the NSAM exchange ratio as a premium to the volume weighted average share price of NSAM common stock over the 10-trading day period ended on May 6, 2016; and

the implied value of the NSAM exchange ratio as a premium to the closing price of NSAM on January 8, 2016, the last trading day prior to NSAM publicly announcing it had engaged Goldman Sachs as its financial advisor to assist it in exploring possible strategic alternatives to maximize stockholder value.

The results of these analyses are summarized as follows:

Reference Point	Implied Premia
June 1, 2016 closing price	5.8%
May 6, 2016 closing price	7.1%
10-Day volume weighted average share price (ending May 6, 2016)	3.1%
January 8, 2016 closing price	23.0%

Illustrative Present Value of Future Stock Price Analyses

Goldman Sachs performed an illustrative analysis of the implied present value of the future stock price for NSAM and the pro forma company, which is designed to provide an indication of the present value of a theoretical future value of the equity of NSAM and the pro forma company, as a function of NSAM's, Colony's and NRF's estimated future earnings and their assumed trading multiples. For this analysis, Goldman Sachs used the Forecasts for each of the fiscal years 2016 and 2017.

Goldman Sachs performed an analysis of the illustrative present value of the future stock price of NSAM by first multiplying the Forecasts of NSAM's earnings per share for each of the fiscal years 2017 and 2018 by a 2016 and 2017 price/adjusted earnings per share multiple range of 9.0x to 14.0x, to determine the illustrative implied future equity values of shares of NSAM common stock. These illustrative implied per share future equity values were then discounted to March 31, 2016, using a discount rate of 12.9%, reflecting an estimate of NSAM's cost of equity, after taking into account the present value of cumulative dividends paid by NSAM. This analysis yielded an illustrative range of implied per share present values of shares of NSAM common stock for the period of December 31, 2016 through December 31, 2017 of \$10.07 to \$15.50.

Goldman Sachs also performed an analysis of the illustrative present value of the future stock price of NSAM by first multiplying the Forecasts of NSAM's adjusted EBITDA for each of the fiscal years 2017 and 2018 by a 2016 and 2017 estimated enterprise value/adjusted EBITDA multiple range of

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9.0x to 12.0x to determine illustrative implied future equity values of share of NSAM common stock. These illustrative implied future equity values were then discounted to March 31, 2016, using a discount rate of 12.9%, reflecting an estimate of NSAM's cost of equity, after taking into account the present value of cumulative dividends paid by NSAM. This analysis yielded an illustrative range of implied per share present values of shares of NSAM common stock for the period of December 31, 2016 through December 31, 2017 of \$10.96 to \$15.49.

Goldman Sachs also performed an analysis of the illustrative present value of the future stock price of the pro forma combined company by first multiplying the pro forma combined company's CAD per share for each of the fiscal years 2017 and 2018, calculated using the Forecasts and after giving effect to the original NSAM special dividend, by a 2016 to 2017 estimated price/CAD multiple range of 7.0x to 11.0x to determine illustrative implied future equity values of shares of the common stock of the combined pro forma company. These illustrative implied per share future equity values were then discounted to March 31, 2016, using a discount rate of 11.5%, reflecting an estimate of the cost of equity of the pro forma combined company, after taking into account the original NSAM special dividend and assuming combined dividends per share of \$0.65 per share, reflecting the payment of the original NSAM special dividend at closing, the present value of dividends per share of \$0.79 as of December 2016 and the present value of dividends per share of \$1.09 as of December 2017. This analysis yielded an illustrative range of implied per share present values of shares of common stock of the combined pro forma company for the period of December 31, 2016 through December 31, 2017 of \$12.08 to \$18.72.

Illustrative NSAM Standalone Levered Discounted Cash Flow Analysis

Using the Forecasts, Goldman Sachs performed an illustrative discounted cash flow analysis on NSAM. Using discount rates ranging from 11.9% to 13.9%, reflecting estimates of NSAM's cost of equity, Goldman Sachs discounted to present value as of March 31, 2016: (i) estimates of levered free cash flow for NSAM for the years 2016 through 2018, as reflected in the Forecasts; and (ii) a range of illustrative terminal values for NSAM, which were calculated by applying perpetuity growth rates ranging from 2.50% to 3.50%, to a terminal year estimate of the levered free cash flow to be generated by NSAM, as reflected in the Forecasts. Goldman Sachs derived ranges of illustrative enterprise values for NSAM by adding the ranges of present values it derived above. Goldman Sachs then subtracted from the range of illustrative enterprise values it derived for NSAM net borrowings, non-controlling interests and the market value of NRF securities owned by NSAM, in each case, as provided by the management of NSAM, to derive a range of illustrative equity values for NSAM. Goldman Sachs then divided the range of illustrative equity values it derived by the number of fully diluted outstanding shares of NSAM, as provided by management of NSAM, to derive a range of illustrative present values of \$10.41 to \$14.04 per share of NSAM common stock.

Illustrative NRF Sum-Of-The-Parts Analysis

Goldman Sachs performed a sum-of-the-parts financial analysis for the real estate assets and other investment assets of NRF, in each case using the Forecasts, NRF's public filings and other financial information provided by NRF's management, as approved for Goldman Sachs' use by the management of NSAM. For each segment of NRF's real estate assets, Goldman Sachs applied a multiple to the estimated EBITDA, as adjusted, for the applicable segment of assets for fiscal year 2016, using the Forecasts. The range of multiples was then expanded by a factor of plus/minus one. Goldman Sachs then calculated the implied equity values of the NRF real estate assets by multiplying NRF's EBITDA for 2016 for each segment of NRF's real estate assets by the range of multiples and then adding the sum of the implied equity values. For each segment of NRF's other investment assets, the carrying values were provided to Goldman Sachs by NRF and approved for Goldman Sachs' use by the management of NSAM.

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The results of this analysis are summarized in the following table (dollars in millions):

	2016 Value	EBITDA Multiples			Implied Value		
		1.0x	Median	+1.0x	1.0x	Median	+1.0x
Real Estate	\$ 402	12.3x	13.3x	14.3x	\$ 4,953	\$ 5,355	\$ 5,757
Other Investments	N/A	N/A	N/A	N/A	N/A	\$ 1,637	N/A

Goldman Sachs then calculated the implied equity value of NRF using: (i) the sum of the implied equity values of NRF's real estate assets and NRF's other investments assets, plus (ii) gross proceeds from asset sales in 2016 and cash held by NRF, minus (iii) mortgage borrowings, corporate borrowings and preferred stock of NRF. This analysis resulted in a range of estimated implied equity values for NRF. Goldman Sachs then divided this range of implied equity values by the number of fully diluted shares of NRF, as provided by NRF and approved for Goldman Sachs' use by management of NSAM, to calculate an illustrative range of per-share-equity values. This analysis indicated a range of illustrative implied equity values of \$10.06 to \$14.39 per share of NRF common stock.

Colony and NRF Illustrative Dividend Discount Analysis

Goldman Sachs performed an illustrative dividend discount model analysis on Colony using the Forecasts. Goldman Sachs calculated indications of the net present value of estimated dividend streams for the period beginning with the second quarter 2016 through fiscal year 2018 and a range of terminal values, which were calculated, assuming \$0.40 quarterly regular dividends for the fiscal years 2016 through 2018, using an assumed perpetuity growth rate of 2.00% to 3.00% and discount rates of 8.7% to 10.7%, reflecting estimates of Colony's cost of equity. Goldman Sachs then divided such net present values by the total number of fully diluted outstanding shares of Colony class A common stock, as provided by Colony and approved for Goldman Sachs' use by management of NSAM, to calculate an illustrative range of per-share present values. This analysis indicated a range of illustrative present values of \$18.73 to \$27.82 per share of Colony class A common stock.

Goldman Sachs also performed an illustrative dividend discount model analysis on NRF using the Forecasts. Goldman Sachs calculated indications of the net present value of estimated dividend streams for the period beginning with the second quarter 2016 through fiscal year 2018 and a range of terminal values, which were calculated using an assumed perpetuity growth rate of 1.50% to 2.50% and discount rates of 10.5% to 12.5%, reflecting estimates of NRF's cost of equity. Goldman Sachs then divided such net present values by the total number of fully diluted outstanding shares of NRF common stock, as provided by NRF and approved for Goldman Sachs' use by the management of NSAM, to calculate an illustrative range of per-share present values. This analysis indicated a range of illustrative present values of \$15.02 to \$20.10 per share of NRF common stock.

Illustrative Colony Selected Companies Analysis

Goldman Sachs reviewed and compared certain financial information for Colony to corresponding financial information, ratios and public market multiples for the following publicly traded corporations in the REIT asset management industry, which we collectively refer to as the selected companies: Brookfield Asset Management and Kennedy-Wilson.

Although none of the selected companies is directly comparable to Colony, the companies included were chosen because they are publicly traded companies with operations that for purposes of analysis may be considered similar to certain operations of Colony.

With respect to Colony and each of the selected companies, Goldman Sachs calculated multiples of enterprise value, which we refer to as EV, to estimated EBITDA, in each case for the

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calendar years ending December 31, 2016 and 2017, and based on SEC filings, Wall Street research and other publicly available information and reports. The results of this analysis were as follows:

EV/EBITDA	High	Median	Low
2016	21.1x	18.2x	17.8x
2017	19.6x	19.5x	17.5x

Goldman Sachs then applied a one year EV/EBITDA range of 16.2x to 20.2x to one year forward EBITDA for Colony, using the Forecasts. This analysis indicated a range of illustrative implied equity values of \$22.27 to \$34.77 per share of Colony class A common stock.

Illustrative Contribution Analysis

Goldman Sachs analyzed NSAM's contribution to the pro forma combined company, in each case taking into account the effect of the original NSAM special dividend on NSAM and using the Forecasts, for fiscal years 2016 through 2018 for the following metrics: EBITDA and CAD.

For each of the EBITDA and CAD metrics for fiscal years 2016 through 2018, Goldman Sachs used a blended range of multiples for EBITDA of 11.5x to 13.5x and for CAD of 7.0x to 11.0x. Applying these multiples to the Forecasts for fiscal years 2016 through 2018 and adjusting for each Company's capitalization structure, Goldman Sachs calculated the illustrative range of implied equity percentages of the pro forma company attributable to NSAM. Goldman Sachs then calculated an illustrative range of implied exchange ratios of the exchange of shares of NSAM common stock into the shares of Colony NorthStar class A common stock, taking into account the NRF merger and the Colony merger and using the illustrative range of implied equity percentages and the fully diluted shares of NSAM, Colony and NRF, as approved for Goldman Sachs' use by management of NSAM. The following table summarizes this analysis:

Metric	NSAM Shareholder Equity of Pro Forma Combined Company	Implied Exchange Ratio
EBITDA	32.3% - 42.1%	0.97-1.49
CAD	27.8%- 29.3%	0.79-0.85

Goldman Sachs also used a range of multiples for the EBITDA for fiscal years 2016 through 2018 for each of NSAM, NRF and Colony. This analysis used a multiple range for NSAM of 9.0x to 11.0x, a multiple range for NRF of 12.3x to 14.3x and a multiple range for Colony of 17.2x to 19.2x. Applying the respective multiples to the Forecasts for fiscal years 2016 through 2018 and adjusting for each Company's capitalization structure, Goldman Sachs calculated the illustrative range of implied equity percentages of the pro forma company attributable to NSAM. Goldman Sachs then calculated an illustrative range of implied exchange ratios of the exchange of shares of NSAM common stock into the shares of Colony NorthStar class A common stock, taking into account the NRF merger and the Colony merger and using the illustrative range of implied equity percentages and the fully diluted shares of NSAM, Colony and NRF, as approved for Goldman Sachs' use by management of NSAM. The following table summarizes this analysis:

NSAM Shareholder Equity of Pro Forma Combined Company	Implied Exchange Ratio
15.7% - 30.8%	0.38 - 0.91

Goldman Sachs also performed a levered discounted cash flow and dividend discount model contribution analysis for the pro forma combined company using the CAD for fiscal years 2016 through 2018 for NSAM, using the Forecasts and the expected dividends for Colony and NRF, using the Forecasts. Goldman Sachs calculated indications of the net present value of the estimated dividend

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streams of the pro forma combined company assuming a terminal growth rate of 3.0% for NSAM, 2.5% for Colony and 2.0% for NRF and discount rates of 11.9% to 13.9%, reflecting NSAM's cost of equity, 8.7% to 10.7%, reflecting Colony's cost of equity and 10.5% to 12.5%, reflecting estimates of NRF's cost of equity. Goldman Sachs then divided net present values derived above by the total number of fully diluted outstanding shares of the combined company using the total number of fully diluted outstanding shares of NSAM common stock, as provided by NSAM and approved for Goldman Sachs' use by the management of NSAM, of Colony class A common stock, as provided by Colony and approved for Goldman Sachs' use by management of NSAM and of NRF common stock, as provided by NRF and approved for Goldman Sachs' use by management attributable to NSAM, respectively, to calculate an illustrative range of per-share present values. Goldman Sachs then calculated the illustrative range of implied equity percentages of the pro forma company for NSAM. Goldman Sachs then calculated an illustrative range of implied exchange ratios of the exchange of shares of common stock of NSAM into the shares of class A common stock of Colony NorthStar, taking into account the NRF merger and the Colony merger and using the illustrative range of implied equity percentages and the fully diluted shares of NSAM, Colony and NRF, as approved for Goldman Sachs' use by management of NSAM. The following table summarizes this analysis:

NSAM Shareholder Equity of Pro Forma Combined Company	Implied Exchange Ratio
22.5% - 31.3%%	0.59 - 0.93

Goldman Sachs compared these implied exchange ratios to the NSAM exchange ratio of one share of Colony NorthStar class A common stock for each share of NSAM common stock provided in the merger agreement.

Comparison of Illustrative NSAM Standalone Levered Discounted Cash Flow Analysis to Illustrative Dividend Discount Model Analysis

Goldman Sachs performed a levered discounted cash flow model analysis for NSAM using the CAD for fiscal years 2016 through 2018 for NSAM, using the Forecasts, and the expected dividends for Colony and NRF, using the Forecasts. Goldman Sachs calculated indications of the net present value of estimated dividend streams for the period beginning with the second quarter 2016 through fiscal year 2018 and a range of terminal values, which were calculated using an assumed perpetuity growth rate range of 3.00% to 4.00% and discount rates of 10.5% to 12.5%, reflecting estimates of the pro forma company's cost of equity. Goldman Sachs then divided such net present values by the total number of fully diluted outstanding shares of the combined company using the total number of fully diluted outstanding shares of NSAM common stock, as provided by NSAM and approved for Goldman Sachs' use by management of NSAM, of Colony class A common stock, as provided by Colony and approved for Goldman Sachs' use by management of NSAM and of NRF common stock, as provided by NRF and approved for Goldman Sachs' use by management of NSAM, to calculate a range of illustrative per-share present values. This analysis indicated a range of illustrative present values of \$12.21 to \$17.08 per share of the pro forma company's common stock. Goldman Sachs then compared the above analysis to the results of the illustrative standalone levered discounted cash flow analysis for NSAM, as described above. The chart below illustrates the comparison range of implied equity values for the above analysis:

Illustrative Standalone Levered DCF Analysis	Illustrative Pro Forma Dividend Discount Model Analysis
\$10.41 - \$14.04	\$12.21 - \$17.08

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Miscellaneous

The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Selecting portions of the analyses or of the summary set forth above, without considering the analyses as a whole, could create an incomplete view of the processes underlying Goldman Sachs' opinion. In arriving at its fairness determination, Goldman Sachs considered the results of all of its analyses and did not attribute any particular weight to any factor or analysis considered by it. Rather, Goldman Sachs made its determination as to fairness on the basis of its experience and professional judgment after considering the results of all of its analyses. No company or transaction used in the above analyses as a comparison is directly comparable to NSAM, Colony or NRF or the contemplated transactions.

Goldman Sachs prepared these analyses for purposes of Goldman Sachs' providing its opinion to the NSAM board as to the fairness from a financial point of view, to the holders (other than Colony, NRF and their respective affiliates) of NSAM common stock, as of the date of opinion and taking into account the original NSAM special dividend, the NRF merger and the Colony merger, of the NSAM exchange ratio, pursuant to the merger agreement.

These analyses do not purport to be appraisals nor do they necessarily reflect the prices at which businesses or securities actually may be sold. Analyses based upon forecasts of future results are not necessarily indicative of actual future results, which may be significantly more or less favorable than suggested by these analyses. Because these analyses are inherently subject to uncertainty, being based upon numerous factors or events beyond the control of the parties or their respective advisors, none of NSAM, Colony, NRF, Goldman Sachs or any other person assumes responsibility if future results are materially different from those forecast.

The NSAM exchange ratio was determined through arm's-length negotiations between NSAM, Colony and NRF and was approved by the NSAM board. Goldman Sachs provided advice to NSAM during these negotiations. Goldman Sachs did not, however, recommend any specific exchange ratio to NSAM or its board of directors or that any specific exchange ratio constituted the only appropriate exchange ratio for the transactions.

As described above, Goldman Sachs' opinion to the NSAM board was one of many factors taken into consideration by the NSAM board in making its determination to approve the merger agreement. The foregoing summary does not purport to be a complete description of the analyses performed by Goldman Sachs in connection with the fairness opinion and is qualified in its entirety by reference to the written opinion of Goldman Sachs attached as Annex E.

Goldman Sachs and its affiliates are engaged in investment banking and financial advisory services, securities trading, investment management, principal investment, financial planning, benefits counseling, risk management, hedging, financing, brokerage activities and other financial and non-financial activities and services for various persons and entities. In the ordinary course of these activities and services, Goldman Sachs and its affiliates may at any time make or hold long or short positions and investments, as well as actively trade or effect transactions, in the equity, debt and other securities (or related derivative securities) and financial instruments (including bank loans and other obligations) of NSAM, Colony and NRF and any of their respective affiliates or any currency or commodity that may be involved in the transactions for their own account and for the accounts of their customers. Goldman Sachs acted as financial advisor to NSAM in connection with, and participated in certain of the negotiations leading to, the transactions contemplated by the merger agreement. Goldman Sachs has provided certain financial advisory and/or underwriting services to NSAM and/or its affiliates from time to time for which Goldman Sachs has received, and may receive, compensation. Goldman Sachs also has provided certain financial advisory and/or underwriting services to Colony

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and/or its affiliates from time to time for which Goldman Sachs has received, and may receive, compensation, including having acted as joint bookrunner with respect to a public offering for First Republic Bank, an affiliate of Colony, of its 2.375% Notes due 2019 (aggregate principal amount \$400 million) in June 2014; as joint bookrunner with respect to a public offering for BUT SAS, an affiliate of Colony, of its 7.375% Notes due 2019 (aggregate principal amount \$245 million) in June 2014; as financial advisor to Colony in connection with the sale of Colony Capital LLC's real estate and investment management business to Colony in April 2015; and as sole bookrunner with respect to a public offering for BUT SAS of its 7.375% Notes due 2019 (aggregate principal amount \$72 million) in August 2015. Goldman Sachs also has provided certain financial advisory and/or underwriting services to NRF and/or its affiliates from time to time for which Goldman Sachs has received, and may receive, compensation, including having acted as financial advisor to NRF in connection with the sale of NRF's manufactured housing portfolio announced in May 2016. Goldman Sachs may also in the future provide financial advisory and/or underwriting services to NSAM, Colony, NRF, Colony NorthStar and their respective affiliates for which Goldman Sachs may receive compensation. Affiliates of Goldman Sachs also may have co-invested with NSAM, Colony, NRF and their respective affiliates from time to time and may have invested in limited partnership units of respective affiliates of NSAM and NRF from time to time and may do so in the future.

The NSAM board selected Goldman Sachs as its financial advisor because it is an internationally recognized investment banking firm that has substantial experience in transactions similar to the transactions contemplated by the merger agreement. Pursuant to a letter agreement dated January 12, 2016, NSAM engaged Goldman Sachs to act as its financial advisor in connection with the transactions contemplated by the merger agreement. Pursuant to the terms of this engagement letter, NSAM has agreed to pay Goldman Sachs a transaction fee of \$22 million, all of which is contingent upon consummation of the transactions. In addition, NSAM has agreed to reimburse Goldman Sachs for certain of its expenses, including attorneys' fees and disbursements, and to indemnify Goldman Sachs and related persons against various liabilities, including certain liabilities under the federal securities laws.

Certain Unaudited Prospective Financial Information of NSAM

NSAM does not, as a matter of course, publicly disclose long-term projections as to future revenues, earnings or other results given, among other reasons, the uncertainty, unpredictability and subjectivity of the underlying assumptions and estimates. However, in connection with the evaluation of a possible transaction involving NSAM, NSAM provided the NSAM special committee, the NSAM board, Evercore, Goldman Sachs, Colony and NRF (and Colony's and NRF's respective advisors) with certain non-public unaudited prospective financial information of NSAM covering multiple years that were prepared internally by NSAM and not for public disclosure.

A summary of certain of those unaudited prospective financial information, which we refer to as the NSAM Standalone Projections, is not being included in this joint proxy statement/prospectus to influence your decision whether to vote for or against the NSAM merger proposal and the NSAM charter proposal, but is included because they were made available to the NSAM special committee, the NSAM board, Evercore, Goldman Sachs, Colony and NRF (and Colony's and NRF's respective advisors). The inclusion of this information should not be regarded as an indication that the NSAM special committee, the NSAM board, their respective advisors or any other person considered, or now considers, the NSAM Standalone Projections to be material or to be necessarily predicative of actual future results and the NSAM Standalone Projections should not be relied upon as such. NSAM's management's internal prospective financial information, upon which the NSAM Standalone Projections were based, is subjective in many respects. There can be no assurance that the NSAM Standalone Projections will be realized or that actual results will not be significantly higher or lower than forecasted. The NSAM Standalone Projections cover multiple years and such information by its nature

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becomes subject to greater uncertainty with each successive year. As a result, the inclusion of the NSAM Standalone Projections in this joint proxy statement/prospective should not be relied on as necessarily predictive of actual future events.

In addition, the NSAM Standalone Projections were not prepared with a view toward public disclosure or toward complying with U.S. generally accepted accounting principles, which we refer to as GAAP, the published guidelines of the SEC regarding projections and the use of non-GAAP measures or the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of prospective financial information. Neither NSAM's independent registered public accounting firm, nor any other independent accountants, have compiled, examined or performed any procedures with respect to the NSAM Standalone Projections contained in this joint proxy statement/prospectus, nor have they expressed any opinion or any other form of assurance on such information or its achievability. The NSAM Standalone Projections include certain non-GAAP financial measures. Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information presented in compliance with GAAP, and non-GAAP financial measures as presented in this joint proxy statement/prospectus may not be comparable to similarly titled amounts used by NSAM or other companies. The footnotes to the table below provide certain supplemental information with respect to the calculation of these non-GAAP financial measures.

Additionally, although the NSAM Standalone Projections presented below is presented with numerical specificity, it is not fact. The NSAM Standalone Projections were based on numerous variables and assumptions that were deemed to be reasonable as of the respective dates when such projections were finalized. Such assumptions are inherently uncertain and may be beyond the control of NSAM. Important factors that may affect actual results and cause the NSAM Standalone Projections not to be achieved include, but are not limited to, risks and uncertainties relating to NSAM's business (including its ability to achieve strategic goals, objectives and targets), industry performance, the legal and regulatory environment, general business and economic conditions and other factors described or referenced under the section entitled "Cautionary Statement Concerning Forward-Looking Statements" beginning on page 79 of this joint proxy statement/prospectus. In addition, the NSAM Standalone Projections reflect assumptions that are subject to change and do not reflect revised prospects for NSAM's business, changes in general business or economic conditions, or any other transaction or event that has occurred or that may occur and that was not anticipated at the time the NSAM Standalone Projections were prepared. NSAM has not prepared revised Standalone Projections to take into account other variables that have changed since the dates on which the NSAM Standalone Projections were finalized. There can be no assurance that the NSAM Standalone Projections will be realized or that NSAM's future financial results will not materially vary from the NSAM Standalone Projections. NSAM has made available its actual results of operations for the fiscal quarter ended September 30, 2016, and stockholders are urged to review carefully NSAM's Quarterly Report on Form 10-Q for such period.

Except to the extent required by law, NSAM does not intend to update or otherwise revise the NSAM Standalone Projections to reflect circumstances existing after the date when made or to reflect the occurrence of future events, even in the event that any or all of the assumptions underlying such prospective financial information are no longer appropriate.

In developing the NSAM Standalone Projections, NSAM's management made numerous material assumptions with respect to NSAM for the periods covered by the NSAM Standalone Projections, including the following material assumptions: (i) no additional capital raised or growth in base management fees from NRF and NRE and no incentive fees; (ii) approximately \$1.4 billion, \$1.5 billion and \$1.6 billion of capital raised in NSAM's retail companies in 2016, 2017 and 2018, respectively; (iii) approximately \$70 million, \$285 million and \$95 million in purchases of NSAM, NRF

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and NRE common stock, respectively, over the projection period; and (iv) effective tax rate of 15% on pre-tax CAD.

The following is a summary of the NSAM Standalone Projections (in millions):

	Years Ending December 31,		
	2016E	2017E	2018E
Net Revenues ⁽¹⁾	\$ 430	\$ 464	\$ 500
EBITDA ⁽²⁾	\$ 301	\$ 332	\$ 363
CAD ⁽³⁾	\$ 237	\$ 256	\$ 281

- (1) Net Revenues are defined as the sum of: (i) asset management and all other fees; (ii) selling commission and dealer manager fees; and (iii) other income; less (iv) commission expense. Asset management and other fees include fees earned from NRF and NRE, acquisition, disposition and other fees earned from NSAM's retail companies and fees earned from clients and limited partners of The Townsend Group. Asset management and other fees are recognized based on contractual terms specified in the underlying governing documents in the periods during which the related services are performed and the amounts have been contractually earned. Incentive fees and payments are recognized subject to the achievement of return hurdles in accordance with the respective terms set forth in the governing documents. Selling commission and dealer manager fees represent income earned by NSAM for selling equity in NSAM's sponsored companies through NorthStar Securities, LLC. Other income primarily represents dividend income received from NSAM's investments in securities including NRF and NRE common stock, NSAM's share of investment income in unconsolidated joint ventures American Healthcare Investors LLC and Island Hospitality Management Inc., excluding non-cash deductions added back for purposes of calculating CAD, and special servicing fees related to certain securitization transactions at the corporate level.
- (2) EBITDA is defined as net revenues less cash general and administrative expenses. Cash general and administrative expenses include salaries and related expenses and other general and administrative expenses and exclude equity-based compensation expense.
- (3) CAD is calculated by subtracting from or adding to net income (loss) attributable to common stockholders, non-controlling interests attributable to the operating partnership and the following items: equity-based compensation, depreciation and amortization related items, amortization of deferred financing costs, foreign currency gains (losses), impairment on goodwill and other intangible assets, straight-line rent, adjustments for joint ventures and investment funds, deferred tax (benefit) expense related to timing differences that are not expected to reverse in the current year, unrealized (gain) loss from fair value adjustments, realized gain (loss) on investments and other, timing differences associated with receiving incentive fees and the related compensation expense and transaction and other costs. In future periods, such adjustments may include other one-time events pursuant to changes in GAAP and certain other non-recurring items. These items, if applicable, include any adjustments for unconsolidated ventures. The management of NSAM also believes that quarterly distributions are principally based on operating performance and the NSAM board includes CAD as one of several metrics it reviews to determine quarterly distributions to stockholders. CAD should not be considered as an alternative to net income (loss) attributable to common stockholders, determined in accordance with GAAP, as an indicator of operating performance. In addition, our methodology for calculating CAD involves subjective judgment and discretion, and may differ from the methodologies used by other comparable companies, when calculating the same or similar supplemental financial measures and may not be comparable with these companies.

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Opinion of Colony's Financial Advisor

Colony engaged BofA Merrill Lynch as its financial advisor in connection with the Colony merger. BofA Merrill Lynch is an internationally recognized investment banking firm which is regularly engaged in the valuation of businesses and securities in connection with mergers and acquisitions, negotiated underwritings, secondary distributions of listed and unlisted securities, private placements and valuations for corporate and other purposes. Colony selected BofA Merrill Lynch to act as its financial advisor in connection with the Colony merger on the basis of BofA Merrill Lynch's experience in similar transactions, its reputation in the investment community and its familiarity with Colony and its business. References in this section to the "merger agreement" are to the merger agreement prior to any amendments thereto.

At a June 2, 2016 meeting of the Colony board held to evaluate and approve the Colony merger, BofA Merrill Lynch rendered an oral opinion, confirmed by delivery of a written opinion dated June 2, 2016, to the Colony board to the effect that, as of that date and based on and subject to various assumptions made, procedures followed, factors considered and limitations and qualifications on the review undertaken described in the opinion, the Colony class A exchange ratio provided for in the Colony merger was fair, from a financial point of view, to the holders of Colony class A common stock.

The full text of BofA Merrill Lynch's written opinion, dated June 2, 2016, delivered to the Colony board is attached as Annex F to this joint proxy statement/prospectus and is incorporated by reference in this joint proxy statement/prospectus. The written opinion sets forth, among other things, the assumptions made, procedures followed, factors considered and limitations and qualifications on the review undertaken by BofA Merrill Lynch in rendering its opinion. The following summary of BofA Merrill Lynch's opinion is qualified in its entirety by reference to the full text of the opinion. **We encourage you to read BofA Merrill Lynch's opinion carefully and in its entirety. BofA Merrill Lynch delivered its opinion to the Colony board for the benefit and use of the Colony board (in its capacity as such) in connection with and for purposes of its evaluation of the Colony class A exchange ratio from a financial point of view. BofA Merrill Lynch's opinion did not address any related transactions or other terms or other aspects or implications of the Colony merger (including, without limitation, any amendments to the terms and conditions of the Colony merger or related transactions following the delivery of BofA Merrill Lynch's opinion) and no opinion or view was expressed as to the relative merits of the Colony merger or related transactions in comparison to other strategies or transactions that might be available to Colony or in which Colony might engage or as to the underlying business decision of Colony to proceed with or effect the Colony merger or any related transactions. BofA Merrill Lynch also expressed no opinion or recommendation as to how any security holder should vote or act in connection with the Colony merger, any related transactions or any other matter.**

In connection with its opinion, BofA Merrill Lynch, among other things:

reviewed certain publicly available business and financial information relating to Colony, NSAM and NRF;

reviewed certain internal financial and operating information with respect to the business, operations and prospects of Colony furnished to or discussed with BofA Merrill Lynch by the management of Colony, including certain financial forecasts relating to Colony prepared by the management of Colony, such forecasts referred to as the Colony forecasts;

reviewed certain internal financial and operating information with respect to the business, operations and prospects of NSAM furnished to or discussed with BofA Merrill Lynch by the management of NSAM, including certain financial forecasts relating to NSAM prepared by the

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management of NSAM and approved by the management of Colony, such forecasts referred to as the NSAM forecasts;

reviewed certain internal financial and operating information with respect to the business, operations and prospects of NRF furnished to or discussed with BofA Merrill Lynch by the management of an affiliate of NSAM as the external manager of NRF, which we refer to as the NRF external manager, including certain financial forecasts relating to NRF prepared by the NRF external manager and approved by the management of Colony, such forecasts referred to as the NRF forecasts;

reviewed certain estimates as to the amount and timing of cost savings, which we refer to collectively as the cost savings, anticipated by the managements of Colony and NSAM and the NRF external manager to result from the Colony merger and related transactions;

discussed the past and current business, operations, financial condition and prospects of Colony with members of the senior managements of Colony and NSAM and the NRF external manager, discussed the past and current business, operations, financial condition and prospects of NSAM with members of the senior managements of NSAM and Colony and discussed the past and current business, operations, financial condition and prospects of NRF with the NRF external manager and members of the senior management of Colony;

reviewed the potential pro forma financial impact of the Colony merger and related transactions on the future financial performance of Colony NorthStar, including the potential effect on Colony NorthStar's estimated FFO, based on the financial forecasts relating to Colony, NSAM and NRF described above and the cost savings;

reviewed the trading histories for Colony class A common stock, NSAM common stock and NRF common stock and a comparison of such trading histories with each other and the trading histories of other companies BofA Merrill Lynch deemed relevant;

compared certain financial and stock market information of Colony, NSAM and NRF with similar information of other companies BofA Merrill Lynch deemed relevant;

reviewed the relative financial contributions of Colony, NSAM and NRF to the future financial performance of the combined company on a pro forma basis;

reviewed a draft, dated June 1, 2016, of the merger agreement, which we refer to as the draft agreement; and

performed such other analyses and studies and considered such other information and factors as BofA Merrill Lynch deemed appropriate.

BofA Merrill Lynch did not rely, for purposes of its opinion, on a comparison of the financial terms of the Colony merger to the financial terms of other transactions given, in its view, the lack of sufficient comparability of other transactions to the Colony merger. In arriving at its opinion, BofA Merrill Lynch assumed and relied upon, without independent verification, the accuracy and completeness of the financial and other information and data publicly available or provided to or otherwise reviewed by or discussed with BofA Merrill Lynch and relied upon the assurances of the managements of Colony and NSAM and the NRF external manager that they were not aware of any facts or circumstances that would make such information or data inaccurate or misleading in any material respect. With respect to the Colony forecasts, BofA Merrill Lynch was advised by Colony, and BofA Merrill Lynch assumed, that they were reasonably prepared on bases reflecting the best currently

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available estimates and good faith judgments of the management of Colony as to the future financial performance of Colony and the other matters covered thereby. With respect to the NSAM forecasts and the NRF forecasts, BofA Merrill Lynch was advised by the management of NSAM and the NRF external manager, as the case may be, and BofA Merrill Lynch assumed, with the consent of Colony, that they were reasonably prepared on bases reflecting the best currently available estimates and good faith judgments of the management of NSAM and the NRF external manager, as applicable, as to the future financial performance of NSAM, NRF and the other matters covered thereby. With respect to the cost savings, BofA Merrill Lynch was advised by the managements of Colony and NSAM and the NRF external manager, and BofA Merrill Lynch assumed, with the consent of Colony, that they were reasonably prepared on bases reflecting the best currently available estimates and good faith judgments of such managements and external manager as to such cost savings. BofA Merrill Lynch relied, at the direction of Colony, on the assessments of the managements of Colony and NSAM and the NRF external manager as to Colony NorthStar's ability to achieve the cost savings and were advised by Colony, NSAM and NRF, and BofA Merrill Lynch assumed, with the consent of Colony, that the cost savings would be realized in the amounts and at the times projected. BofA Merrill Lynch also relied, at the direction of Colony, upon the assessments of the managements of Colony and NSAM and the NRF external manager as to, among other things, (i) the transactions related to the Colony merger, including with respect to the timing thereof and the assets, liabilities and financial and other terms involved, (ii) matters relating to the NSAM spin-off and the NRF spin-off, respectively, which we refer to as the spin-offs, and any tax indemnities and other arrangements relating to the spin-offs, (iii) the potential impact on Colony, NSAM and NRF of certain market, competition and other trends in and prospects for, and governmental, regulatory and legislative matters relating to or affecting, the mortgage, real estate and real estate investment and asset management industries and related credit and financial markets, (iv) existing and future relationships, agreements and arrangements with, and the ability to attract and retain, key employees, tenants, operators and other commercial relationships of Colony, NSAM and NRF and (v) the ability to integrate the businesses and operations of Colony, NSAM and NRF as contemplated. BofA Merrill Lynch assumed, with the consent of Colony, that there would be no developments with respect to any such matters or alternative transaction structures that would have an adverse effect on Colony, NSAM, NRF, the Colony merger or any related transactions (including the contemplated benefits thereof) or that otherwise would be meaningful in any respect to BofA Merrill Lynch's analyses or opinion.

BofA Merrill Lynch did not make and was not provided with any independent evaluation or appraisal of the assets or liabilities (contingent, derivative, off-balance sheet or otherwise) of Colony, NSAM, NRF or any other entity, nor did BofA Merrill Lynch make any physical inspection of the properties or assets of Colony, NSAM, NRF or any other entity. BofA Merrill Lynch did not make any analysis of, nor did BofA Merrill Lynch express any view or opinion as to, mortgage, loan or lease portfolios or individual credit files and the adequacy or sufficiency of allowances for credit losses with respect to mortgages, loans, leases or any other matters and BofA Merrill Lynch was advised by the managements of Colony and NSAM and the NRF external manager, and therefore assumed, with the consent of Colony, that any such allowances for credit losses with respect to mortgages, loans, leases or other matters were, and on a pro forma basis would be, in the aggregate appropriate to cover such losses. BofA Merrill Lynch also did not evaluate the solvency or fair value of Colony, NSAM, NRF or any other entity under any state, federal or other laws relating to bankruptcy, insolvency or similar matters. BofA Merrill Lynch assumed, at the direction of Colony, that the Colony merger and related transactions would be consummated in accordance with their respective terms and in compliance with all applicable laws, documents and other requirements, without waiver, modification or amendment of any material term, condition or agreement, and that, in the course of obtaining the necessary governmental, regulatory and other approvals, consents, releases and waivers for the Colony merger and related transactions, no delay, limitation, restriction or condition, including any divestiture requirements or amendments or modifications, would be imposed that would have an adverse effect on Colony, NSAM, NRF, the Colony merger or related transactions (including the contemplated benefits

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thereof) or that otherwise would be meaningful in any respect to BofA Merrill Lynch's analyses or opinion. BofA Merrill Lynch also assumed, at the direction of Colony, that the Colony merger and related mergers and conversion to be consummated as part of related transactions would qualify, as applicable, for U.S. federal income tax purposes as reorganizations and such other tax treatments as contemplated by the merger agreement. BofA Merrill Lynch was advised by Colony and NRF, and BofA Merrill Lynch assumed, at the direction of Colony, that each of Colony and NRF has operated in conformity with the requirements for qualification as a REIT for U.S. federal income tax purposes since its election to be taxed as a REIT, that Colony NorthStar would elect to be taxed as a REIT for U.S. federal income tax purposes commencing with the taxable year ending December 31, 2017 and that Colony NorthStar would thereafter continue to be operated in conformity with the requirements for qualification as a REIT for U.S. federal income tax purposes. BofA Merrill Lynch further assumed, at the direction of Colony, that the final executed merger agreement would not differ in any material respect from the draft agreement reviewed by BofA Merrill Lynch.

BofA Merrill Lynch expressed no view or opinion as to any related transactions or any terms or other aspects or implications of the Colony merger (other than the Colony class A exchange ratio to the extent expressly specified in its opinion), including, without limitation, the form or structure of the Colony merger, the form or structure, or financial or other terms, of any related transactions, any indemnification or other arrangements relating to or consequences of the spin-offs or any terms, aspects or implications of any voting or support agreements or any governance or other arrangements, agreements or understandings entered into in connection with or related to the Colony merger, any related transactions or otherwise. As the Colony board was aware, BofA Merrill Lynch was not requested to, and BofA Merrill Lynch did not, solicit indications of interest or proposals from third parties regarding a possible acquisition of all or any part of Colony or any alternative transaction. BofA Merrill Lynch's opinion was limited to the fairness, from a financial point of view, of the Colony class A exchange ratio to holders of Colony class A common stock, without regard to individual circumstances of specific holders that may distinguish such holders or the securities of Colony held by such holders (including any voting, rights, preferences, restrictions or limitations that may be attributable to shares of Colony class A common stock or other securities of Colony), and BofA Merrill Lynch expressed no view or opinion with respect to any consideration received in connection with the Colony merger or related transactions by the holders of any other class of securities, creditors or other constituencies of any party or proportionate allocation or relative fairness. In addition, BofA Merrill Lynch expressed no view or opinion with respect to the fairness (financial or otherwise) of the amount, nature or any other aspect of any compensation to any of the officers, directors or employees of any party to the Colony merger or related transactions or any related entities or class of such persons, relative to the Colony class A exchange ratio or otherwise. BofA Merrill Lynch expressed no opinion as to what the value of Colony NorthStar class A common stock or any other securities (including any other class of common stock, preferred stock or partnership interests) actually would be when issued or the prices at which Colony NorthStar class A common stock, Colony class A common stock or any other securities (including any other class of common stock or any preferred stock or partnership interests) of Colony NorthStar, Colony or any other entity involved in the Colony merger and related transactions would trade or otherwise be transferable at any time, including following announcement or consummation of the Colony merger and related transactions. BofA Merrill Lynch also expressed no view or opinion with respect to, and BofA Merrill Lynch relied at the direction of Colony upon the assessments of Colony, NSAM, NRF and their respective representatives regarding, legal, regulatory, accounting, tax and similar matters relating to Colony, NSAM, NRF, their related entities and security holders and the Colony merger and related transactions, as to which BofA Merrill Lynch understood that Colony, NSAM and NRF obtained such advice as they deemed necessary from qualified professionals.

BofA Merrill Lynch's opinion was necessarily based on financial, economic, monetary, market and other conditions and circumstances as in effect on, and the information made available to BofA

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Merrill Lynch as of, the date of its opinion. As the Colony board was aware, the credit, financial and stock markets, and the industries in which Colony, NSAM and NRF operate, have experienced and continue to experience volatility and BofA Merrill Lynch expressed no view or opinion as to any potential effects of such volatility on Colony, NSAM or NRF (or their respective businesses), the Colony merger or related transactions (including the contemplated benefits thereof). Although subsequent developments may affect BofA Merrill Lynch's opinion, BofA Merrill Lynch does not have any obligation to update, revise or reaffirm its opinion. The issuance of BofA Merrill Lynch's opinion was approved by a fairness opinion review committee of BofA Merrill Lynch. Except as described in this summary, the Colony board imposed no other instructions or limitations on the investigations made or procedures followed by BofA Merrill Lynch in rendering its opinion.

The following is a summary of the material financial analyses provided by BofA Merrill Lynch to the Colony board in connection with the Colony merger. **The financial analyses summarized below include information presented in tabular format. In order to fully understand the financial analyses performed by BofA Merrill Lynch, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses performed by BofA Merrill Lynch. Considering the data set forth in the tables below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of the financial analyses performed by BofA Merrill Lynch.** For purposes of the analyses described below: (i) the term "CAD" refers to, as applicable, cash available for distribution or economic net income; (ii) the term "Core FFO" refers to, with respect to Colony, Colony's then recently reported estimated Core FFO and, with respect to NRF and Colony NorthStar, CAD as adjusted, among other things, to include equity-based compensation expense and exclude certain straight-line rent adjustments; and (iii) the approximate equity ownership for holders of Colony class A common stock in Colony NorthStar implied by the Colony class A exchange ratio of 33.25% is on a fully diluted basis, excluding the effect of certain equity-based awards issuable in connection with the Mergers. In calculating implied equity ownership percentage reference ranges for holders of Colony class A common stock in Colony NorthStar from such analyses, BofA Merrill Lynch: (i) compared the low end of the approximate implied per share equity value reference ranges derived for Colony from such analyses to the sum of the high end of the approximate implied per share equity value reference ranges derived for NRF and NSAM from such analyses in order to calculate the low end of the implied equity ownership percentage reference ranges; and (ii) compared the high end of the approximate implied per share equity value reference ranges derived for Colony from such analyses to the sum of the low end of the approximate implied per share equity value reference ranges derived for NRF and NSAM from such analyses in order to calculate the high end of the implied equity ownership percentage reference ranges.

Selected Public Companies Analyses

BofA Merrill Lynch performed separate selected public companies analyses of Colony, NRF and NSAM in which BofA Merrill Lynch reviewed and compared financial and operating data relating to Colony, NRF and NSAM and the selected publicly traded companies listed below.

Colony. In performing a selected public companies analysis of Colony, BofA Merrill Lynch reviewed publicly available financial and stock market information of Colony and the following 10 selected companies that BofA Merrill Lynch viewed as generally relevant as U.S. publicly traded REITs, consisting of five U.S. publicly traded equity REITs, which we refer to as the Colony selected equity REITs, and five U.S. publicly traded mortgage REITs, which we refer to as the Colony selected

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mortgage REITs and, together with the Colony selected equity REITs, collectively referred to as the Colony selected REITs:

Colony Selected Equity REITs

Colony Selected Mortgage REITs

Gramercy Property Trust Inc.

Apollo Commercial Real Estate Finance, Inc.

Lexington Realty Trust

Ares Commercial Real Estate Corporation

Prologis

Blackstone Mortgage Trust, Inc.

STAG Industrial, Inc.

Ladder Capital Corp

W. P. Carey Inc.

Starwood Property Trust, Inc.

BofA Merrill Lynch reviewed, among other things, closing stock prices on June 1, 2016 of the Colony selected equity REITs as a multiple of calendar year 2016 and calendar year 2017 estimated FFO and closing stock prices on June 1, 2016 of the Colony selected mortgage REITs as a multiple of then recently reported estimated book value per share of the Colony selected mortgage REITs. Financial data of the Colony selected REITs were based on public filings, publicly available research analysts' consensus estimates and other publicly available information. Financial data of Colony was based on the Colony forecasts.

The overall low to high calendar year 2016 and calendar year 2017 estimated FFO per share multiples observed for the Colony selected equity REITs were 8.9x to 18.5x (with a mean of 13.7x and a median of 14.2x) and 9.1x to 18.3x (with a mean of 13.3x and a median of 13.0x), respectively. The overall low to high estimated book value per share multiples observed for the Colony selected mortgage REITs were 0.85x to 1.22x (with a mean of 1.02x and a median of 1.03x). BofA Merrill Lynch then applied selected ranges of calendar year 2016 and calendar year 2017 estimated FFO per share multiples derived from the Colony selected equity REITs of 11.0x to 14.0x and 10.0x to 13.0x, respectively, to the calendar year 2016 and calendar year 2017 estimated Core FFO per share of Colony excluding gains on investments, based on the Colony forecasts and a selected range of estimated book value per share multiples derived from the Colony selected mortgage REITs of 0.90x to 1.10x to the estimated book value per share of Colony based on the Colony forecasts. This analysis indicated approximate implied per share equity value reference ranges for Colony, based on calendar year 2016 and calendar year 2017 estimated FFO per share multiples, of \$16.62 to \$21.15 and \$16.10 to \$20.93, respectively, and an approximate implied per share equity value reference range for Colony, based on estimated book value per share multiples, of \$17.59 to \$21.50.

NRF. In performing a selected public companies analysis of NRF, BofA Merrill Lynch reviewed publicly available financial and stock market information of NRF and the following 13 selected companies that BofA Merrill Lynch viewed as generally relevant as U.S. publicly traded REITs, consisting of five U.S. publicly traded externally managed REITs, which we refer to as the NRF selected externally managed REITs, and eight U.S. publicly traded internally managed REITs, which we refer to as the NRF selected internally managed REITs and, together with the NRF selected externally managed REITs, collectively refer to as the NRF selected REITs:

NRF Selected Externally Managed REITs

NRF Selected Internally Managed REITs

Ashford Hospitality Trust, Inc.

Apple Hospitality REIT, Inc.

Hospitality Properties Trust

Chatham Lodging Trust

New Senior Investment Group Inc.

Hersha Hospitality Trust

Select Income REIT

Lexington Realty Trust

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Senior Housing Properties Trust

Omega Healthcare Investors, Inc.

RLJ Lodging Trust

Summit Hotel Properties, Inc.

W. P. Carey Inc.
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BofA Merrill Lynch reviewed, among other things, closing stock prices on June 1, 2016 of the NRF selected REITs as a multiple of calendar year 2016 and calendar year 2017 estimated FFO per share. Financial data of the NRF selected REITs were based on public filings, publicly available research analysts' consensus estimates and other publicly available information. Financial data of NRF was based on the NRF forecasts.

The overall low to high calendar year 2016 and calendar year 2017 estimated FFO per share multiples observed for the NRF selected externally managed REITs were 3.2x to 9.9x (with a mean of 7.2x and a median of 7.8x) and 3.0x to 9.8x (with a mean of 7.0x and a median of 7.4x), respectively. The overall low to high calendar year 2016 and calendar year 2017 estimated FFO per share multiples observed for the NRF selected internally managed REITs were 6.8x to 14.5x (with a mean of 9.5x and a median of 8.9x) and 6.5x to 14.5x (with a mean of 9.2x and a median of 8.7x), respectively. BofA Merrill Lynch then applied selected ranges of calendar year 2016 and calendar year 2017 estimated FFO per share multiples derived from the NRF selected REITs of 6.0x to 8.0x and 5.5x to 7.5x, respectively, to the calendar year 2016 and calendar year 2017 estimated Core FFO per share of NRF based on the NRF forecasts. This analysis indicated approximate implied per share equity value reference ranges for NRF, based on calendar year 2016 and calendar year 2017 estimated FFO per share multiples, adjusted in the case of the approximate implied per share equity value reference range for NRF based on calendar year 2017 estimated FFO per share multiples, for net cash proceeds, excluding retirement of borrowings, from the completion of planned asset divestitures in calendar year 2016, of \$12.99 to \$17.32 and \$16.17 to \$19.40, respectively.

NSAM. In performing a selected public companies analysis of NSAM, BofA Merrill Lynch reviewed publicly available financial and stock market information of NSAM and the following four selected companies that BofA Merrill Lynch viewed as generally relevant as U.S. publicly traded companies with operations in the alternative asset manager industry, which we refer to as the NSAM selected companies:

Apollo Global Management, LLC
Ares Management, L.P.
The Blackstone Group L.P.
The Carlyle Group L.P.

BofA Merrill Lynch reviewed, among other things, closing securities prices on June 1, 2016 of the NSAM selected companies as a multiple of calendar year 2016 and calendar year 2017 estimated CAD per share. Financial data of the NSAM selected companies were based on public filings, publicly available research analysts' consensus estimates and other publicly available information. Financial data of NSAM was based on the NSAM forecasts.

The overall low to high calendar year 2016 and calendar year 2017 estimated CAD per share multiples observed for the NSAM selected companies were 10.9x to 16.1x (with a mean of 12.8x and a median of 12.1x) and 7.8x to 8.4x (with a mean of 8.1x and a median of 8.2x), respectively. BofA Merrill Lynch then applied selected ranges of calendar year 2016 and calendar year 2017 estimated CAD per share multiples derived from the NSAM selected companies of 10.0x to 13.0x and 8.0x to 10.0x, respectively, to corresponding data of NSAM based on the NSAM forecasts. This analysis indicated approximate implied per share equity value reference ranges for NSAM, based on calendar year 2016 and calendar year 2017 estimated CAD per share multiples, of \$12.05 to \$15.67 and \$10.41 to \$13.01, respectively.

Utilizing the approximate implied per share equity value reference ranges derived for Colony, NRF and NSAM described above from calendar year 2016 and calendar year 2017 estimated FFO per share (in the case of Colony and NRF) and calendar year 2016 and calendar year 2017 estimated CAD

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per share (in the case of NSAM), BofA Merrill Lynch calculated approximate implied equity ownership percentage reference ranges for holders of Colony class A common stock in Colony NorthStar, after taking into account the original NSAM special dividend, of 27% to 38% and 27% to 37%, respectively, as compared to the approximate equity ownership percentage for holders of Colony class A common stock in Colony NorthStar implied by the Colony class A exchange ratio of 33.25%. Utilizing the approximate implied equity ownership percentage reference ranges described above, BofA Merrill Lynch calculated the following approximate implied exchange ratio reference ranges, as compared to the Colony class A exchange ratio:

Implied Exchange Ratio Reference Ranges Based on:				
Calendar Year 2016E		Calendar Year 2017E		Colony Class A Exchange Ratio
Equity		Equity		
Ownership Percentage Range		Ownership Percentage Range		
1.183x	1.686x	1.176x	1.618x	1.466x

No company or business used in these analyses is identical or directly comparable to Colony, NRF or NSAM. Accordingly, an evaluation of the results of these analyses is not entirely mathematical. Rather, these analyses involve complex considerations and judgments concerning differences in financial and operating characteristics and other factors that could affect the public trading or other values of the companies or businesses to which Colony, NRF and NSAM were compared.

Sum-of-the-Parts Analyses

BofA Merrill Lynch performed separate sum-of-the-parts analyses of Colony, NSAM and NRF in which BofA Merrill Lynch reviewed the respective assets and liabilities of Colony, NSAM and NRF based on financial and other information and data, as described below.

Colony. BofA Merrill Lynch performed a sum-of-the-parts analysis of Colony based on the Colony forecasts and other information and data provided by Colony's management. An estimated range of Colony's implied per share value was calculated for: (i) Colony's equity investments in light industrial real estate assets and operating platforms, utilizing a nominal capitalization rate range of 5.75% to 6.0%; (ii) Colony's investments in single-family residential rentals through its equity method investments in SFR utilizing a range of \$27.50 per share (based on the closing price of SFR common shares on June 1, 2016) to \$32.63 per share (based on SFR's then recently reported NAV per SFR common share); (iii) Colony's single-family residential lending platform, utilizing Colony's then recently reported book value for such platform; (iv) Colony's other equity investments in real estate, including net lease investments, investment in Safeway Inc. and investments in other segments, utilizing various capitalization rates and book value multiples; (v) Colony's investments in purchased credit-impaired loans and non-purchased credit-impaired loans and other loans and real estate owned property, utilizing a range of book value multiples of 1.01x to 1.05x; and (vi) Colony's investment management operations, utilizing a range of calendar year 2016 estimated FFO multiples of 10.0x to 12.0x. Also taken into account, based on Colony's balance sheet as of March 31, 2016 and other information and data provided by Colony's management, were Colony's other assets, preferred stock, net borrowings and other liabilities. This analysis indicated an approximate implied per share equity value reference range for Colony of \$19.53 to \$22.21.

NRF. BofA Merrill Lynch performed a sum-of-the-parts analysis of NRF based on the NRF forecasts and other information and data provided by the NRF external manager. An estimated range of NRF's implied per share value was calculated for (i) NRF's equity investments in healthcare, hotel, manufactured housing, net lease, multifamily and multi-tenant operating real estate, utilizing an overall nominal capitalization rate range of 7.1% to 7.6% and (ii) NRF's investments in private equity funds, real estate borrowings, real estate securities and unconsolidated ventures, utilizing, among other things, NRF's then recently reported fair values and carrying values, as applicable, for such investments. Also

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taken into account, based on NRF's balance sheet as of March 31, 2016 and other information and data provided by the NRF external manager, were NRF's other tangible assets, including cash, NRF's share of operating real estate secured borrowings, corporate and other borrowings, other tangible liabilities and preferred stock. This analysis indicated an approximate implied per share equity value reference range for NRF of \$16.27 to \$21.39.

NSAM. BofA Merrill Lynch performed a sum-of-the-parts analysis of NSAM based on the NSAM forecasts and other information and data provided by NSAM's management. An estimated range of NSAM's implied per share value was calculated for: (i) fees from NSAM's management contracts with NRF and NorthStar Realty Europe Corp., fees from sponsored company REITs and NSAM's investment in American Health Investors LLC, utilizing an overall range of calendar year 2016 estimated EBITDA multiples of 8.6x to 9.5x; (ii) NSAM's investment in Island Hospitality Group Inc. and NSAM's operations conducted through its investment in Townsend Holdings LLC, utilizing the cost basis of such investments; and (iii) NSAM's equity ownership in NRF, utilizing the closing price for NRF common stock on June 1, 2016. Also taken into account, based on NSAM's balance sheet as of March 31, 2016 and other information and data provided by NSAM's management, was NSAM's net borrowings. This analysis indicated an approximate implied per share equity value reference range for NSAM of \$10.94 to \$12.25.

Utilizing the approximate implied per share equity value reference ranges derived for Colony, NRF and NSAM described above, BofA Merrill Lynch calculated approximate implied equity ownership percentage reference ranges for holders of Colony class A common stock in Colony NorthStar, after taking into account the original NSAM special dividend, of 30% to 38%, as compared to the approximate equity ownership percentage for holders of Colony class A common stock in Colony NorthStar implied by the Colony class A exchange ratio of 33.25%. Utilizing the approximate implied equity ownership percentage reference range described above, BofA Merrill Lynch calculated the following approximate implied exchange ratio reference range, as compared to the Colony class A exchange ratio:

Implied Exchange Ratio Reference Range	Colony Class A Exchange Ratio
1.316x 1.654x	1.466x

Discounted Cash Flow Analyses

BofA Merrill Lynch performed separate discounted cash flow analyses of Colony, NRF and NSAM to calculate ranges of implied present values of the unlevered, after-tax free cash flows that Colony, NRF and NSAM were forecasted to generate during the last three quarters of the fiscal year ending December 31, 2016 through the full fiscal year ending December 31, 2018 utilizing the Colony forecasts, the NRF forecasts and the NSAM forecasts, respectively. For purposes of these analyses, among other things: (i) equity-based compensation was treated as a cash expense; (ii) Colony's unlevered free cash flow excluded accretion from loan acquisitions, paid-in-kind interest and preferred stock dividends and no gains on investments were assumed in Colony's terminal year; (iii) NRF's unlevered free cash flow included net cash proceeds from asset sales completed during the fiscal year ending December 31, 2016 and the partial year impact of new acquisitions during the fiscal years ending December 31, 2017 and December 31, 2018, as applicable, and excluded preferred stock dividends and no return of capital was assumed in NRF's terminal year; and (iv) NSAM's unlevered free cash flow was based on its pro rata interest in Townsend Holdings LLC.

Colony. In performing a discounted cash flow analysis of Colony, BofA Merrill Lynch derived implied terminal values for Colony by applying to Colony's fiscal year ending December 31, 2018 estimated unlevered, after-tax free cash flows a range of perpetuity growth rates of 2.0% to 2.5%.

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Present values (as of March 31, 2016) of the cash flows and terminal values were then calculated using a selected discount rate range of 7.1% to 7.9%. This analysis indicated an approximate implied per share equity value reference range for Colony of \$17.56 to \$29.23.

NRF. In performing a discounted cash flow analysis of NRF, BofA Merrill Lynch derived implied terminal values for NRF by applying to NRF's fiscal year ending December 31, 2018 estimated unlevered, after-tax free cash flows a range of perpetuity growth rates of 2.0% to 2.5%. Present values (as of March 31, 2016) of the cash flows and terminal values were then calculated using a selected discount rate range of 7.5% to 8.0%. This analysis indicated an approximate implied per share equity value reference range for NRF of \$22.85 to \$34.33.

NSAM. In performing a discounted cash flow analysis of NSAM, BofA Merrill Lynch derived implied terminal values for NSAM by applying to NSAM's fiscal year ending December 31, 2018 estimated unlevered, after-tax free cash flows a range of perpetuity growth rates of 2.0% to 2.5%. Present values (as of March 31, 2016) of the cash flows and terminal values were then calculated using a selected discount rate range of 10.6% to 13.1%. This analysis indicated an approximate implied per share equity value reference range for NSAM of \$11.67 to \$16.55.

Utilizing the approximate implied per share equity value reference ranges derived for Colony, NRF and NSAM described above, BofA Merrill Lynch calculated approximate implied equity ownership percentage reference ranges for holders of Colony class A common stock in Colony NorthStar, after taking into account the original NSAM special dividend, of 20% to 38%, as compared to the approximate equity ownership percentage for holders of Colony class A common stock in Colony NorthStar implied by the Colony class A exchange ratio of 33.25%. Utilizing the approximate implied equity ownership percentage reference range described above, BofA Merrill Lynch calculated the following approximate implied exchange ratio reference range, as compared to the Colony class A exchange ratio:

Implied Exchange Ratio Reference Range	Colony Class A Exchange Ratio
0.888x 1.690x	1.466x

Relative Contributions

BofA Merrill Lynch reviewed the relative contributions of Colony, NRF and NSAM to Colony NorthStar's calendar year 2016 and calendar year 2017 estimated CAD and estimated EBITDA, in each case after taking into account the original NSAM special dividend and both including and excluding gains on investments for Colony. For purposes of this review, among other things: (i) equity-based compensation was treated as a cash expense; (ii) Colony's estimated CAD excluded accretion from loan acquisitions and paid-in-kind interest; (iii) NRF's and NSAM's respective net borrowings included preferred stock; (iv) NRF's net borrowings reflected the sale of manufactured housing, multifamily and healthcare assets with a corresponding reduction in net borrowings; and (v) net cash proceeds from the completion of asset sales by NRF during the fiscal year ending December 31, 2016 were taken into account. Financial data of Colony, NRF and NSAM were based on the Colony forecasts, the NRF forecasts and the NSAM forecasts, respectively. This indicated the following relative contributions of Colony to Colony NorthStar's calendar year 2016 and calendar year 2017 estimated CAD and estimated EBITDA, in each case, as compared to the approximate equity ownership percentage for holders of

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Colony class A common stock in Colony NorthStar implied by the Colony class A exchange ratio of 33.25%:

calendar year 2016 and calendar year 2017 estimated CAD of (i) including gains on investments for Colony, 29% and 30% and (ii) excluding gains on investments for Colony, 23% and 21%; and

calendar year 2016 and calendar year 2017 estimated EBITDA of (i) including gains on investments for Colony, 23% and 29% and (ii) excluding gains on investments for Colony, 14% and 18%.

BofA Merrill Lynch noted that such relative contributions of Colony to Colony NorthStar's calendar year 2016 estimated CAD and estimated EBITDA indicated an overall implied exchange ratio range of 0.603x to 1.289x and that such relative contributions of Colony to Colony NorthStar's calendar year 2017 estimated CAD and estimated EBITDA indicated an overall implied exchange ratio of 0.791x to 1.308x, in each case as compared to the Colony class A exchange ratio of 1.466x.

Other Information

BofA Merrill Lynch also observed certain additional information that was not considered part of BofA Merrill Lynch's financial analyses with respect to its opinion but were referenced for informational purposes, including, among other things, the following:

Accretion/Dilution

BofA Merrill Lynch reviewed the potential pro forma financial effect of the proposed Colony merger on Colony's calendar year 2017 and calendar year 2018 estimated Core FFO per share both including and excluding gains on investments for Colony, based on the Colony forecasts, the NRF forecasts and the NSAM forecasts, in each case based on the Colony class A exchange ratio and after taking into account the potential cost savings. Relative to Colony's calendar year 2017 and calendar year 2018 estimated Core FFO per share on a standalone basis, this review indicated that: (i) including gains on investments, the proposed Colony merger could be dilutive in calendar year 2017 and calendar year 2018 by approximately (0.5%) and (7.9%), respectively; and (ii) excluding gains on investments, the proposed Colony merger could be accretive in calendar year 2017 and calendar year 2018 by approximately 33.2% and 35.4%, respectively. Actual results achieved by Colony and Colony NorthStar may vary from forecasted results and such variations may be material.

Illustrative Theoretical Pro Forma Value Creation

BofA Merrill Lynch reviewed an illustrative theoretical pro forma value creation for holders of Colony class A common stock that could result from the proposed Colony merger based on Colony NorthStar's calendar year 2017 and calendar year 2018 estimated Core FFO both including and excluding gains on investments for Colony, in each case based on the Colony class A exchange ratio and after taking into account the potential cost savings. Financial data of Colony NorthStar was based on the Colony forecasts, the NRF forecasts and the NSAM forecasts. This review indicated: (i) based on Colony NorthStar's calendar year 2017 estimated Core FFO and an illustrative range of calendar year 2017 estimated Core FFO multiples of 7.4x to 10.0x; and (ii) based on Colony NorthStar's calendar year 2018 estimated Core FFO and an illustrative range of calendar year 2018 estimated Core FFO multiples of 6.8x to 9.3x, an approximate illustrative theoretical implied price per share of Colony class A common stock including gains on investments for Colony of \$17.85 to \$24.08 per share and \$17.85 to \$24.42 per share, respectively, and excluding gains on investments for Colony of \$17.85 to \$24.07 per share and \$17.85 to \$24.15 per share, respectively, in each case as compared to the closing

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price of Colony class A common stock on June 1, 2016 of \$18.42 per share. The foregoing was reviewed for illustrative purposes only and was not an indication of trading values or other results which may vary based on various factors, including market conditions and financial performance.

Other

BofA Merrill Lynch also observed the following:

the historical trading performance of Colony class A common stock, NRF common stock and NSAM common stock during the 52-week period ended June 1, 2016, which indicated low and high closing prices for Colony class A common stock, NRF common stock and NSAM common stock during such period of approximately \$15.17 and \$25.47 per share, \$8.57 and \$30.18 per share and \$9.31 and \$21.51 per share, respectively, as compared to the closing price of Colony class A common stock, NRF common stock and NSAM common stock on June 1, 2016 of \$18.42 per share, \$13.50 per share and \$12.17 per share, respectively; and

publicly available research analysts' price targets for Colony class A common stock, NRF common stock and NSAM common stock, which indicated low to high price targets for Colony class A common stock, NRF common stock and NSAM common stock of approximately \$18.00 to \$30.00 per share (with a mean of \$23.00 per share), \$15.00 to \$38.00 per share (with a mean of \$22.60 per share) and \$15.00 to \$20.00 (with a mean of \$17.67 per share), as compared to the closing price of Colony class A common stock, NRF common stock and NSAM common stock on June 1, 2016 of \$18.42 per share, \$13.50 per share and \$12.17 per share, respectively.

Miscellaneous

As noted above, the discussion set forth above is a summary of the material financial analyses and other factors reviewed by BofA Merrill Lynch with the Colony board in connection with the Colony merger and is not a comprehensive description of all analyses undertaken or factors considered by BofA Merrill Lynch. The preparation of a financial opinion or analyses is a complex process involving various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances and, therefore, a financial opinion is not readily susceptible to partial analysis or summary description. BofA Merrill Lynch believes that the analyses summarized above must be considered as a whole. BofA Merrill Lynch further believes that selecting portions of its analyses considered or focusing on information presented in tabular format, without considering all analyses or the narrative description of the analyses, could create a misleading or incomplete view of the processes underlying BofA Merrill Lynch's analyses and opinion. The fact that any specific analysis has been referred to in the summary above is not meant to indicate that such analysis was given greater weight than any other analysis referred to in the summary.

In performing its analyses, BofA Merrill Lynch considered industry performance, general business and economic conditions and other matters, many of which are beyond the control of Colony, NSAM and NRF. The estimates of the future performance of Colony, NSAM and NRF in or underlying BofA Merrill Lynch's analyses are not necessarily indicative of actual values or actual future results, which may be significantly more or less favorable than those estimates or those suggested by BofA Merrill Lynch's analyses. These analyses were prepared solely as part of BofA Merrill Lynch's analysis of the fairness, from a financial point of view, of the exchange ratio provided for in the Colony merger and were provided to the Colony board in connection with its evaluation of the Colony merger. The analyses do not purport to be appraisals or to reflect the prices at which a company might actually be sold or acquired or the prices at which any securities have traded or may trade at any time in the future. Accordingly, the estimates used in, and the ranges of valuations resulting from, any particular

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analysis described above are inherently subject to substantial uncertainty and should not be taken to be BofA Merrill Lynch's view of the actual value of Colony, NSAM or NRF.

The type and amount of consideration payable in the transaction were determined through negotiations between Colony, NSAM and NRF, rather than by any financial advisor, and were approved by the Colony board. The decision to enter into the merger agreement was solely that of the Colony board. As described above, BofA Merrill Lynch's opinion and analyses were only one of many factors considered by the Colony board in its evaluation of the Colony merger and should not be viewed as determinative of the views of the Colony board, management or any other party with respect to the Colony merger or the Colony class A exchange ratio.

Colony has agreed to pay BofA Merrill Lynch for its services as financial advisor to Colony in connection with the Colony merger an aggregate fee of \$16 million, of which a portion was payable upon delivery of its opinion and \$15 million is contingent upon consummation of the Colony merger. In addition, at the request of the Colony board, BofA Merrill Lynch and certain of its affiliates expect to participate in the financing contemplated to be undertaken by Colony in connection with the Colony merger, for which services BofA Merrill Lynch and its affiliates will receive an aggregate fee currently estimated to be approximately \$1 million, including acting as joint lead arranger and joint bookrunner for, and/or a lender under, a senior secured bridge loan of an affiliate of Colony. In addition, Colony has agreed to reimburse BofA Merrill Lynch for its expenses incurred in connection with BofA Merrill Lynch's engagement and to indemnify BofA Merrill Lynch, any controlling person of BofA Merrill Lynch and each of their respective directors, officers, employees, agents and affiliates against certain liabilities, including liabilities under the federal securities laws.

BofA Merrill Lynch and its affiliates comprise a full service securities firm and commercial bank engaged in securities, commodities and derivatives trading, foreign exchange and other brokerage activities and principal investing as well as providing investment, corporate and private banking, asset and investment management, financing and financial advisory services and other commercial services and products to a wide range of companies, governments and individuals. In the ordinary course of its businesses, BofA Merrill Lynch and its affiliates may invest on a principal basis or on behalf of customers or manage funds that invest, make or hold long or short positions, finance positions or trade or otherwise effect transactions in equity, debt or other securities or financial instruments (including derivatives, bank loans or other obligations) of Colony, NSAM, NRF and certain of their respective affiliates.

BofA Merrill Lynch and its affiliates in the past have provided, currently are providing, and in the future may provide, investment banking, commercial banking and other financial services to Colony and have received or in the future may receive compensation for the rendering of these services, including: (i) having acted or acting as joint bookrunner and co-lead arranger for, and as a lender (including letter of credit lender) under, a revolving credit facility of a subsidiary of Colony; and (ii) having acted or acting as joint bookrunner to Colony and certain of its affiliates on various debt and equity capital markets transactions. From April 1, 2014 through April 30, 2016, BofA Merrill Lynch and its affiliates derived aggregate revenues from Colony of approximately \$30 million for investment and corporate banking services.

In addition, BofA Merrill Lynch and its affiliates in the past have provided, currently are providing, and in the future may provide, investment banking, commercial banking and other financial services to NRF, NSAM and certain of their respective affiliates, and have received or in the future may receive compensation for the rendering of these services, including: (i) having acted as financial advisor to NRF and certain of its affiliates in connection with certain acquisition transactions; (ii) having acted or acting as joint bookrunner to NRF and certain of its affiliates on various debt and equity capital markets transactions; (iii) having provided or providing certain commodity, derivatives,

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interest rate swap and foreign exchange trading services to NRF and certain of its affiliates; (iv) having acted or acting as a lender to NRF under its revolving credit facility; and (v) having provided or providing certain treasury and trade management services and products to NRF and NSAM and certain of its affiliates. From April 1, 2014 through April 30, 2016, BofA Merrill Lynch and its affiliates derived aggregate revenues from NRF and its affiliates of approximately \$55 million and from NSAM and its affiliates of approximately \$2 million for investment and corporate banking services.

Certain Unaudited Prospective Financial Information of Colony

Colony does not, as a matter of course, publicly disclose long-term projections as to future revenues, earnings or other results given, among other reasons, the uncertainty, unpredictability and subjectivity of the underlying assumptions and estimates. However, in connection with the evaluation of a possible transaction involving Colony, Colony provided the Colony board, BofA Merrill Lynch, NSAM and NRF (and NSAM's and NRF's respective advisors) with certain non-public unaudited prospective financial information of Colony OP covering multiple years that were prepared internally by Colony and not for public disclosure.

A summary of certain of such unaudited prospective financial information, which we refer to as the Colony Standalone Projections, is not being included in this joint proxy statement/prospectus to influence your decision whether to vote for or against the Colony merger proposal and the Colony charter proposal, but is included because it was made available to the Colony board, BofA Merrill Lynch, NSAM and NRF (and NSAM's and NRF's respective advisors). The inclusion of this information should not be regarded as an indication that the Colony board, its advisors or any other person considered, or now considers, the Colony Standalone Projections to be material or to be necessarily predictive of actual future results and the Colony Standalone Projections should not be relied upon as such. Colony's management's internal prospective financial information, upon which the Colony Standalone Projections were based, is subjective in many respects. There can be no assurance that the Colony Standalone Projections will be realized or that actual results will not be significantly higher or lower than forecasted. The Colony Standalone Projections cover multiple years and such information by its nature becomes subject to greater uncertainty with each successive year. As a result, the inclusion of the Colony Standalone Projections in this joint proxy statement/prospective should not be relied on as necessarily predictive of actual future results, performance or events.

In addition, the Colony Standalone Projections were not prepared with a view toward public disclosure or toward complying with GAAP, the published guidelines of the SEC regarding projections and the use of non-GAAP measures or the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of prospective financial information. Neither Colony's independent registered public accounting firm, nor any other independent accountants, have compiled, examined or performed any procedures with respect to the Colony Standalone Projections contained in this joint proxy statement/prospectus, nor have they expressed any opinion or any other form of assurance on such information or its achievability. The Colony Standalone Projections include certain non-GAAP financial measures. Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information presented in compliance with GAAP, and non-GAAP financial measures as presented in this joint proxy statement/prospectus may not be comparable to similarly titled amounts used by Colony or other companies. The footnotes to the table below provide certain supplemental information with respect to the calculation of these non-GAAP financial measures.

Additionally, although the Colony Standalone Projections presented below is presented with numerical specificity, it is not fact. The Colony Standalone Projections were based on numerous variables and assumptions that were deemed to be reasonable as of the respective dates when such projections were finalized. Such assumptions are inherently uncertain and may be beyond the control of

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Colony. Important factors that may affect actual results and cause the Colony Standalone Projections not to be achieved include, but are not limited to, risks and uncertainties relating to Colony's business (including its ability to achieve strategic goals, objectives and targets), industry performance, the legal and regulatory environment, general business and economic conditions and other factors described or referenced under the section entitled "Cautionary Statement Concerning Forward-Looking Statements" beginning on page 79 of this joint proxy statement/prospectus. In addition, the Colony Standalone Projections reflect assumptions that are subject to change and do not reflect revised prospects for Colony's business, changes in general business or economic conditions, or any other transaction or event that has occurred or that may occur and that was not anticipated at the time the Colony Standalone Projections were prepared. Colony has not prepared revised Standalone Projections to take into account other variables that have changed since the dates on which the Colony Standalone Projections were finalized. There can be no assurance that the Colony Standalone Projections will be realized or that Colony's future financial results will not materially vary from the Colony Standalone Projections. Colony has made available its actual results of operations for the fiscal quarter ended September 30, 2016, and stockholders are urged to review carefully Colony's Quarterly Report on Form 10-Q for such period.

Except to the extent required by law, Colony does not intend to update or otherwise revise the Colony Standalone Projections to reflect circumstances existing after the date when made or to reflect the occurrence of future events, even in the event that any or all of the assumptions underlying such prospective financial information are no longer appropriate.

In developing the Colony Standalone Projections, Colony's management made numerous material assumptions with respect to Colony for the periods covered by the Colony Standalone Projections, including the following material assumptions: (i) the sale and resolution of certain investments based on their respective business plans and projected lives or expected maturities; (ii) redeployment of such capital in investments at a weighted average 10% Core FFO yield utilizing 40% leverage; (iii) deployment of approximately \$1.4 billion, \$2.1 billion and \$2.9 billion of privately raised capital in 2016, 2017 and 2018, respectively, from which Colony receives a weighted average annual base management fee of 1.2%; (iv) utilization of the corporate credit facility at approximately 50% of its maximum commitment; and (v) no issuances of common or preferred equity by the Colony OP or any of its affiliates, except for projected equity awards granted under Colony's stock plans in the ordinary course.

The following is a summary of the Colony Standalone Projections with all figures presented based on the Colony OP, which excludes amounts attributable to non-controlling interests of third parties in investment entities (in millions):

	Years Ending December 31,		
	2016E	2017E	2018E
Net Revenues	\$ 602	\$ 686	\$780
EBITDA ⁽¹⁾	\$ 439	\$ 514	\$587
Core FFO ⁽²⁾	\$ 271	\$ 330	389

(1) Colony defines EBITDA as Core FFO (defined below) plus preferred dividends, plus Colony's share of cash interest expense and taxes.

(2) For purposes of this section, Colony defines Core FFO as funds from operations, which we refer to as FFO, adjusted for the following items, including Colony OP's share of these items recognized by Colony OP's unconsolidated partnerships and joint ventures: (i) gains and losses from sales of depreciable real estate, net of depreciation, amortization and impairment previously adjusted for FFO; (ii) stock compensation expense; (iii) effects of straight-line rent revenue and straight-line

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rent expense on ground leases; (iv) amortization of acquired above- and below-market lease values; (v) amortization of deferred financing costs and debt premiums and discounts; (vi) unrealized fair value gains or losses on derivative instruments and on foreign currency remeasurements; (vii) acquisition-related expenses, merger and integration costs; (viii) amortization and impairment of finite-lived intangibles related to investment management contracts and customer relationships; (ix) deferred tax benefit related to amortization and impairment of investment management contracts and customer relationships; (x) gain on remeasurement of consolidated investment entities, net of deferred tax liability, and the effect of amortization thereof; (xi) non-real estate depreciation and amortization; and (xii) change in fair value of contingent consideration.

FFO is calculated in accordance with standards established by the National Association of Real Estate Investment Trusts, which defines FFO as net income or loss calculated in accordance with GAAP, excluding extraordinary items, as defined by GAAP, gains and losses from sales of depreciable real estate and impairment write-downs associated with depreciable real estate, plus real estate-related depreciation and amortization, and after similar adjustments for unconsolidated partnerships and joint ventures.

Opinion of the NRF Special Committee's Financial Advisor

UBS was retained as financial advisor to the NRF special committee in connection with the Mergers. As part of that engagement, the NRF special committee requested that UBS evaluate the fairness, from a financial point of view, of the NRF exchange ratio to the holders of shares of NRF common stock. On June 2, 2016, at a meeting of the NRF special committee held to evaluate the proposed Mergers, UBS delivered to the NRF special committee an oral opinion, which opinion was confirmed by delivery of a written opinion, dated June 2, 2016, to the effect that, as of that date, based on and subject to various assumptions made, matters considered and limitations described in its opinion, and taking into account the Redomestication merger, the New NRF Holdco merger and the Colony merger, the NRF exchange ratio was fair, from a financial point of view, to the holders of NRF common stock (other than NSAM, Colony NorthStar, Colony and their affiliates).

The full text of UBS' opinion describes the assumptions made, procedures followed, matters considered and qualifications and limitations on the review undertaken by UBS. UBS' opinion is attached as Annex G to this joint proxy statement/prospectus and is incorporated by reference herein. **Holders of shares of NRF common stock are encouraged to read UBS' opinion carefully in its entirety. UBS' opinion was provided for the benefit of the NRF special committee (in its capacity as such) in connection with, and for the purpose of, its evaluation of the NRF exchange ratio, and does not address any other aspect of the Mergers or any related transaction. UBS' opinion does not address the relative merits of the Mergers or any related transaction as compared to other business strategies or transactions that might be available to NRF or NRF's underlying business decision to effect the Mergers or any related transaction. UBS' opinion does not constitute a recommendation to any stockholder as to how such stockholder should vote or act with respect to the Mergers or any related transaction.** The following summary of UBS' opinion is qualified in its entirety by reference to the full text of UBS' opinion.

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

reviewed certain publicly available business and financial information relating to NRF, NSAM and Colony;

reviewed certain internal financial information and other data relating to the businesses and financial prospects of NRF that were provided to UBS by the management of NRF and not

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publicly available, including financial forecasts and estimates prepared by the management of NRF that the NRF special committee directed UBS to utilize for purposes of its analysis;

reviewed certain internal financial information and other data relating to the business and financial prospects of NSAM that were provided to UBS by the management of NSAM and not publicly available, including financial forecasts and estimates prepared by the management of NSAM that the NRF special committee directed UBS to utilize for purposes of its analysis;

reviewed certain internal financial information and other data relating to the business and financial prospects of Colony that were provided to UBS by the management of Colony and not publicly available, including financial forecasts and estimates prepared by the management of Colony that the NRF special committee directed UBS to utilize for purposes of its analysis;

reviewed the impact of certain potential asset sales and redeployment of capital prepared by the management of NRF that were provided to UBS by NRF and not publicly available that the NRF special committee directed UBS to utilize for purposes of its analysis;

reviewed certain estimates of synergies prepared by the management of NRF that were provided to UBS by NRF and not publicly available that the NRF special committee directed UBS to utilize for purposes of its analysis;

conducted discussions with members of the senior management of NRF, NSAM and Colony concerning the businesses and financial prospects of NRF, NSAM and Colony;

reviewed publicly available financial and stock market data with respect to certain other companies UBS believed to be generally relevant;

reviewed current and historical market prices of NRF common stock, NSAM common stock and Colony class A common stock;

considered certain pro forma effects of the Mergers on NSAM's financial statements;

reviewed a substantially final draft of the merger agreement, dated June 1, 2016; and

conducted such other financial studies, analyses and investigations, and considered such other information, as UBS deemed necessary or appropriate.

In connection with its review, with the consent of the NRF special committee, UBS assumed and relied upon, without independent verification, the accuracy and completeness in all material respects of the information provided to or reviewed by UBS for the purpose of its opinion. In addition, with the consent of the NRF special committee, UBS did not make any independent evaluation or appraisal of any of the assets or liabilities (contingent or otherwise) of NSAM, NRF or Colony, nor was UBS furnished with any such evaluation or appraisal. With respect to the financial forecasts, estimates, synergies and pro forma effects referred to above, UBS assumed, at the direction of the NRF special committee, that they were reasonably prepared on a basis reflecting the best currently available estimates and judgments of the management of each Company as to the future financial performance of their respective Company and such synergies and pro forma effects. With the consent of the NRF special committee and consistent with the views expressed by NRF's management, UBS' analyses and opinion assumed the value of: (i) Colony's debt investment portfolio to be the book value thereof; and (ii) NRF's private equity fund investments, commercial real estate debt investments and commercial real estate securities to be the book value thereof. In addition, UBS assumed, with the approval of the NRF special committee, that the financial forecasts and estimates, including synergies, certain potential

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asset sales identified by management and the redeployment of capital in the manner identified by management, referred to above will be achieved at the times and in the amounts projected. UBS is not an expert in the evaluation of allowance for loan losses, and UBS did not make an independent evaluation of the adequacy of the allowance for loan losses at Colony or NRF, and UBS did not examine any individual loan credit files of Colony or NRF (nor was UBS requested to conduct such a review), and, as a result, UBS assumed that the aggregate allowance for loan losses of each Company is adequate. UBS also assumed, with the consent of the NRF special committee, that the Mergers will qualify for U.S. federal income tax purposes as a reorganization within the meaning of Sections 354, 361 and 368 of the Code. UBS' opinion is necessarily based on economic, monetary, market and other conditions as in effect on, and the information available to UBS as of, the date thereof. UBS did not include any 2016 fourth quarter dividend for either NRF, Colony or NSAM as part of its analysis in connection with UBS' opinion delivered on June 2, 2016.

At the direction of the NRF special committee, UBS was not asked to, and it did not, offer any opinion as to the terms, other than the NRF exchange ratio to the extent expressly specified in the opinion, of the merger agreement or any related documents or the form of the Mergers or any related transaction. In addition, UBS expressed no opinion as to the fairness of: (i) the amount or nature of any compensation to be received by any officers, directors or employees of any parties to the Mergers, or any class of such persons, relative to the NRF exchange ratio; (ii) the Colony class A exchange ratio, the Colony class B exchange ratio or the consideration to be received by the holders of Colony common stock in connection with the Colony merger, including, in each case, relative to the NRF exchange ratio; (iii) the consideration to be received by any holder of preferred stock of NRF or Colony, including relative to the NRF exchange ratio; or (iv) the Redomestication merger, the NRF LP merger, the NRF LP upstream merger (each of the NRF LP merger and the NRF LP upstream merger as defined in the section entitled "The Merger Agreement The Mergers and Related Transactions The Reorganization Transactions" beginning on page 277 of this joint proxy statement/prospectus), the New NRF Holdco merger or the LLC conversion or the consideration to be paid or received in any such transaction, including relative to the NRF exchange ratio. Although, at the direction of the NRF special committee, UBS included the contingent consideration arrangement discussed in the section entitled "Other Related Agreements The Amendment to the Colony Contribution and Implementation Agreement" beginning on page 309 of this joint proxy statement/prospectus in certain of its analyses, UBS expressed no opinion as to the likelihood that the milestones upon which these payments are conditioned will be achieved or whether such contingent consideration will be paid by Colony (or any successor entity). UBS expressed no opinion as to what the value of Colony NorthStar common stock will be when issued pursuant to the Mergers or the prices at which shares of NRF common stock, NRF preferred stock, NSAM common stock, Colony common stock, Colony preferred stock, Colony NorthStar class A common stock or Colony NorthStar preferred stock will trade at any time. In rendering its opinion, UBS assumed, with the consent of the NRF special committee, that: (i) the final executed form of the merger agreement would not differ in any material respect from the draft that UBS reviewed; (ii) the parties to the merger agreement will comply with all material terms of the merger agreement; and (iii) the Mergers will be consummated in accordance with the terms of the merger agreement without any adverse waiver or amendment of any material term or condition thereof. UBS also assumed that all governmental, regulatory or other consents and approvals necessary for the consummation of the Mergers will be obtained without any material adverse effect on NRF, NSAM, Colony or the Mergers. The issuance of UBS' opinion was approved by an authorized committee of UBS.

In connection with rendering its opinion to the NRF special committee, UBS performed a variety of financial and comparative analyses which are summarized below. The following summary is not a complete description of all analyses performed and factors considered by UBS in connection with its opinion. The preparation of a financial opinion is a complex process involving subjective judgments and is not necessarily susceptible to partial analysis or summary description. With respect to the

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selected public companies analysis summarized below, no company used as a comparison was identical to NRF, NSAM or Colony. These analyses necessarily involve complex considerations and judgments concerning financial and operating characteristics and other factors that could affect the public trading or acquisition values of the companies concerned.

UBS believes that its analyses and the summary below must be considered as a whole and that selecting portions of its analyses and factors or focusing on information presented in tabular format, without considering all analyses and factors or the narrative description of the analyses, could create a misleading or incomplete view of the processes underlying UBS' analyses and opinion. UBS did not draw, in isolation, conclusions from or with regard to any one factor or method of analysis for purposes of its opinion, but rather arrived at its ultimate opinion based on the results of all analyses undertaken by it and assessed as a whole.

The estimates of the future performance of NRF, NSAM and Colony provided by management of the companies in or underlying UBS' analyses are not necessarily indicative of future results or values, which may be significantly more or less favorable than those estimates. In performing these analyses, UBS considered industry performance, general business and economic conditions and other matters, many of which were beyond NRF's, NSAM's and Colony's control. Estimates of the financial value of companies do not purport to be appraisals or necessarily reflect the prices at which businesses or securities actually may be sold or acquired.

The exchange ratios provided for in the Mergers were determined through negotiation among NRF, NSAM and Colony, and the decision by NRF to enter into the Mergers was solely that of the NRF board, acting upon the unanimous recommendation of the NRF special committee. UBS' opinion and financial analyses were only one of many factors considered by the NRF special committee in its evaluation of the Mergers and should not be viewed as determinative of the views of the NRF special committee with respect to the Mergers or the NRF exchange ratio.

The following is a brief summary of the material financial analyses performed by UBS and reviewed with the NRF special committee on June 2, 2016 in connection with its opinion. **The financial analyses summarized below include information presented in tabular format. In order for UBS' financial analyses to be fully understood, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses. Considering the data below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of UBS' financial analyses.**

Colony Selected Public Companies Analysis

UBS reviewed financial information of Colony provided by Colony's management and publicly available financial and stock market information of the following publicly traded REITs and alternative asset managers which, based on its professional judgment and expertise, UBS deemed relevant to its analysis:

Mortgage REITs refers to the below-listed companies, collectively:

Starwood Property Trust, Inc.

Newcastle Investment Corp.

Blackstone Mortgage Trust, Inc.

RAIT Financial Trust

Apollo Commercial Real Estate Finance, Inc.

Arbor Realty Trust Inc.

Ares Commercial Real Estate Corporation

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Single Family REITs refers to the below-listed companies, collectively:

American Homes 4 Rent

Colony Starwood Homes

Silver Bay Realty Trust Corp.

Alternative Asset Managers refers to the below-listed companies, collectively:

The Blackstone Group L.P.

Oaktree Capital Group, LLC

The Carlyle Group LP

Ares Management, L.P.

Apollo Global Management, LLC

Fortress Investment Group LLC

KKR & Co. L.P.

Industrial REITs refers to the below-listed companies, collectively:

DCT Industrial Trust Inc.

PS Business Parks Inc.

Duke Realty Corporation

Rexford Industrial Realty, Inc.

EastGroup Properties Inc.

STAG Industrial, Inc.

First Industrial Realty Trust Inc.

Terreno Realty Corp.

Liberty Property Trust

UBS reviewed, among other things:

the closing share prices on June 1, 2016 of the selected Single Family REITs, Industrial REITs and Mortgage REITs as multiples of calendar year 2016 and 2017 estimated adjusted funds from operation, which we refer to as AFFO, per share; and

the closing share prices on June 1, 2016 of the selected Alternative Asset Managers as multiples of calendar year 2016 and 2017 estimated economic net income, which we refer to as ENI, per share.

Financial data of the selected Single Family REITs, Industrial REITs, Alternative Asset Managers and Mortgage REITs were based on publicly available research analysts' estimates, public filings and other publicly available information.

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UBS compared these figures for the selected Single Family REITs, Industrial REITs, Alternative Asset Managers and Mortgage REITs with corresponding multiples of Colony based on, among other things, the closing share price of Colony on June 1, 2016 as a multiple of calendar year 2016 and 2017 Core FFO per share.

The foregoing analysis indicated the following multiples for Colony and the following average multiples for the selected Single Family REITs, Industrial REITs, Alternative Asset Managers and Mortgage REITs:

Selected Companies	Price to 2016E Earnings (AFFO/ENI/Core FFO per share)	Price to 2017E Earnings (AFFO/ENI/Core FFO per share)
Single Family REITs	24.2x	19.5x
Industrial REITs	24.1x	22.1x
Alternative Asset Managers	13.4x	8.1x
Mortgage REITs	9.9x	9.4x
Colony	9.1x	7.6x

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NSAM Selected Public Companies Analysis

UBS reviewed financial information of NSAM provided by NSAM's management and publicly available financial and stock market information of the Alternative Asset Managers and the following publicly traded traditional asset managers which, based on its professional judgment and expertise, UBS deemed relevant to its analysis:

Traditional Asset Managers refers to the below-listed companies, collectively:

Cohen & Steers Inc.	OM Asset Management plc
BlackRock, Inc.	Janus Capital Group, Inc.
Franklin Resources, Inc.	Waddell & Reed Financial, Inc.
Invesco Ltd.	Artisan Partners Asset Management Inc.
T. Rowe Price Group, Inc.	Virtus Investment Partners, Inc.
Legg Mason Inc.	Manning & Napier, Inc.
Affiliated Managers Group Inc.	GAMCO Investors, Inc.
AllianceBernstein Holding L.P.	Pzena Investment Management, Inc.
Federated Investors, Inc.	Calamos Asset Management Inc.

Eaton Vance Corp.

UBS reviewed, among other things:

the closing share prices on June 1, 2016 of the selected Traditional Asset Managers as multiples of calendar year 2016 and 2017 estimated earnings per share;

the closing share prices on June 1, 2016 of the selected Alternative Asset Managers as multiples of calendar year 2016 and 2017 estimated ENI per share; and

total enterprise value on June 1, 2016 of the selected Traditional Asset Managers and Alternative Asset Managers as multiples of calendar year 2016 and 2017 estimated EBITDA.

Financial data of the selected Traditional Asset Managers and Alternative Asset Managers were based on publicly available research analysts' estimates, public filings and other publicly available information.

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UBS compared these figures for the selected Traditional Asset Managers and Alternative Asset Managers with corresponding multiples of NSAM based on, among other things:

the closing share price of NSAM on June 1, 2016 as a multiple of calendar year 2016 and 2017 estimated CAD per share;
and

the total enterprise value on June 1, 2016 of NSAM as a multiple of calendar year 2016 and 2017 estimated EBITDA.

The foregoing analysis indicated the following multiples for NSAM and the following average multiples for the selected Traditional Asset Managers and Alternative Asset Managers:

Selected Companies	Price to 2016E Earnings (ENI/CAD per share)	Price to 2017E Earnings (ENI/CAD per share)	Enterprise Value to 2016E EBITDA	Enterprise Value to 2017E EBITDA
Traditional Asset Managers	16.4x	13.6x	10.0x	9.1x
Alternative Asset Managers	13.4x	8.1x	13.5x	8.4x
NSAM	9.8x	9.1x	12.4x	10.5x

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NRF Selected Public Companies Analysis

UBS reviewed financial information of NRF provided by NRF's management and publicly available financial and stock market information of the following publicly traded REITs which, based on its professional judgment and expertise, UBS deemed relevant to its analysis:

Healthcare REITs refers to the below-listed companies, collectively:

HCP, Inc.	Medical Properties Trust Inc.
Welltower Inc.	National Health Investors Inc.
Ventas, Inc.	Omega Healthcare Investors Inc.
Healthcare Realty Trust Incorporated	Physicians Realty Trust
Healthcare Trust of America, Inc.	Sabra Health Care REIT, Inc.
LTC Properties Inc.	Care Trust REIT, Inc.

Limited Service Hotel REITs (refers to the below-listed companies, collectively, and, together with the Industrial REITs and the Healthcare REITs, we refer to as the Equity REITs):

Chatham Lodging Trust

RLJ Lodging Trust

Summit Hotel Properties, Inc.

Apple Hospitality REIT, Inc.

Manufactured Housing REITs refers to the below-listed companies, collectively:

Equity LifeStyle Properties, Inc.

Sun Communities Inc.

UMH Properties Inc.

Externally Managed REITs refers to the below-listed companies, collectively:

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Hospitality Properties Trust

Senior Housing Properties Trust

Ashford Hospitality Trust, Inc.

New Senior Investment Group Inc.

Ashford Hospitality Prime, Inc.

Select Income REIT

UBS reviewed, among other things:

the closing share prices on June 1, 2016 of the selected Manufactured Housing REITs, Healthcare REITs, Limited Service Hotel REITs and Externally Managed REITs as multiples of calendar year 2016 and 2017 estimated AFFO per share; and

total enterprise value on June 1, 2016 of the selected Manufactured Housing REITs, Healthcare REITs, Limited Service Hotel REITs and Externally Managed REITs as multiples of calendar year 2016 and 2017 estimated EBITDA.

Financial data of the selected Manufactured Housing REITs, Healthcare REITs, Limited Service Hotel REITs and Externally Managed REITs were based on publicly available research analysts' estimates, public filings and other publicly available information.

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UBS compared these figures for the selected Manufactured Housing REITs, Healthcare REITs, Limited Service Hotel REITs and Externally Managed REITs with corresponding multiples of NRF based on, among other things:

the closing share price of NRF on June 1, 2016 as a multiple of calendar year 2016 and 2017 CAD per share; and

the total enterprise value on June 1, 2016 of NRF as a multiple of calendar year 2016 and 2017 estimated EBITDA.

The foregoing analysis indicated the following multiples for NRF and the following average multiples for the selected Manufactured Housing REITs, Healthcare REITs, Limited Service Hotel REITs and Externally Managed REITs:

Selected Companies	Price to 2016E AFFO/CAD per share	Price to 2017E AFFO/CAD per share	Enterprise Value to 2016E EBITDA	Enterprise Value to 2017E EBITDA
Manufactured Housing REITs	20.3x	19.0x	17.8x	16.2x
Healthcare REITs	15.6x	14.8x	16.1x	14.8x
Limited Service Hotel REITs	10.8x	10.4x	11.1x	10.7x
Externally Managed REITs	8.6x	8.2x	12.0x	11.5x
NRF	5.9x	7.8x	12.8x	18.1x

Net Asset Value Analysis of Colony

UBS conducted an analysis of the NAV of Colony as a standalone company, utilizing publicly available information and financial estimates and other information provided by Colony, in order to derive an implied per share equity value reference range for Colony.

UBS conducted a NAV analysis for Colony by applying either capitalization rate or multiple ranges to relevant metrics for each element of Colony's investment portfolio, which ranges were based on UBS' professional judgment and expertise, and adding the value of Colony's cash and cash equivalents as of March 31, 2016. To this aggregate value of Colony's assets, UBS deducted Colony's debt balance at its estimated market value, preferred stock at its estimated market value and other tangible liabilities (net of tangible assets), in each case as of March 31, 2016.

UBS derived the implied NAV of Colony per share of Colony common stock, which we refer to as the NAV per Colony Share, by dividing the implied NAV of Colony by the number of fully diluted shares of Colony common stock outstanding provided by management and compared the NAV per Colony Share to the closing stock price of Colony class A common stock as of June 1, 2016 of \$18.42. UBS calculated the NAV per Colony Share to be \$19.27 at the low end of the valuation range, \$21.09 at the midpoint of the valuation range and \$22.96 at the high end of the valuation range. For purposes of this analysis, UBS noted that the \$18.42 share price represented a 4.4% discount to the NAV per Colony Share at the low end of the valuation range, represented a 12.6% discount to the NAV per Colony Share at the midpoint of the valuation range and represented a 19.8% discount to the NAV per Colony Share at the high end of the valuation range.

Sum-of-the-Parts Analysis of NSAM

UBS conducted a sum-of-the-parts analysis of NSAM on a standalone basis in order to derive an implied per share equity value reference range for NSAM. In performing the sum-of-the-parts analysis, UBS reviewed and analyzed publicly available information and financial estimates and other information provided by NSAM. In carrying out this analysis, UBS valued, based on its professional judgment and expertise, the following segments identified by NSAM's management: (i) asset

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management and other services provided by NSAM to NRF; (ii) asset management and other services provided by NSAM to NRE; (iii) fees payable to NSAM by non-traded companies in the retail business and NSAM's broker-dealer platform; (iv) The Townsend Group; (v) NSAM's investment in American Healthcare Investors LLC; and (vi) NSAM's investment in Island Hospitality Group Inc. UBS derived the implied equity value of NSAM by deducting from the foregoing the debt balance and adding the value of unrestricted cash as of May 5, 2016, restricted cash as of March 31, 2016 and the market value as of June 1, 2016 of NRF common stock owned by NSAM as of June 1, 2016.

UBS derived the implied equity value per share of NSAM common stock, which we refer to as the NSAM Value per Share, by dividing the implied equity value of NSAM by the number of fully diluted shares of NSAM common stock outstanding provided by NSAM and compared the NSAM Value per Share to the closing stock price of NSAM common stock as of June 1, 2016 of \$12.17. UBS calculated the NSAM Value per Share to be \$12.24 at the low end of the valuation range, \$14.34 at the midpoint of the valuation range and \$16.43 at the high end of the valuation range. For purposes of this analysis, UBS noted that the \$12.17 share price represented a 0.6% discount to the NSAM Value per Share at the low end of the valuation range, represented a 15.1% discount to the NSAM Value per Share at the midpoint of the valuation range and represented a 25.9% discount to the NSAM Value per Share at the high end of the valuation range.

Net Asset Value Analysis of NRF

UBS conducted an analysis of the NAV of NRF as a standalone company, utilizing publicly available information and financial estimates and other information provided by NRF, in order to derive an implied per share equity value reference range for NRF.

UBS derived the value of NRF's operating real estate by applying a range, based on UBS' professional judgment and expertise, of capitalization rates to the estimated next 12 months net operating income for NRF's operating real estate. To this value of NRF's operating real estate, UBS added the value of NRF's other tangible assets and the value of NRF's cash and cash equivalents as of May 5, 2016 adjusted for the proceeds from the sale of certain multifamily properties. To this aggregate value of NRF's assets, UBS deducted debt balance at its estimated market value, preferred stock at its estimated market value, the fair value of a notional swap lock position calculated net of posted cash collateral and other tangible liabilities (net of tangible assets). UBS also deducted the estimated value of the NRF management agreement.

UBS derived the implied NAV of NRF per share of NRF common stock, which we refer to as the NAV per NRF Share, by dividing the implied NAV of NRF by the number of fully diluted shares of NRF common stock outstanding provided by NRF's management and compared the NAV per NRF Share to the closing stock prices of shares of NRF common stock as of June 1, 2016 of \$13.50. UBS calculated the NAV per NRF Share to be \$13.29 at the low end of the valuation range, \$15.02 at the midpoint of the valuation range and \$16.99 at the high end of the valuation range. For purposes of this analysis, UBS noted that the \$13.50 share price represented a 1.6% premium to the NAV per NRF Share at the low end of the valuation range, represented a 10.1% discount to the NAV per NRF Share at the midpoint of the valuation range and represented a 20.5% discount to the NAV per NRF Share at the high end of the valuation range.

Pro Forma Net Asset Value Analysis

UBS conducted an analysis of the NAV of Colony NorthStar after giving pro forma effect to the Mergers, utilizing: (i) publicly available information and financial estimates and other information provided by NRF, NSAM and Colony; (ii) the implied NAVs of Colony and NRF described above; and (iii) the sum-of-the-parts value of NSAM described above. To the sum of the NAVs of Colony and

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NRF, and the sum-of-the-parts value of NSAM, UBS deducted the value of shares of NRF common stock held by NSAM, added a range of values of corporate synergies provided by NRF's management (\$80 million of synergies capitalized at the estimated 2016 CAD multiple of 5.9x for NRF at the low end, \$115 million of synergies capitalized at the estimated 2016 EBITDA multiple of 12.4x for NSAM at the high end of the range and the average of the low end and high end of the capitalized value for the midpoint), deducted the amount of the original NSAM special dividend and deducted the estimated transaction expenses for the Mergers provided by NRF's management.

UBS derived the implied NAV of Colony NorthStar after giving pro forma effect to the Mergers per share of Colony NorthStar common stock, which we refer to as the Pro Forma NAV per share of Colony NorthStar common stock, by dividing the implied pro forma NAV of Colony NorthStar by the number of shares of Colony NorthStar common stock outstanding on a fully diluted basis after giving effect to the Mergers. UBS then derived the implied pro forma NAV per former NRF share after giving effect to the Mergers, which we refer to as the Pro Forma NAV per NRF Share, by multiplying the Pro Forma NAV per share of Colony NorthStar common stock by the NRF exchange ratio, which resulted in a Pro Forma NAV per NRF Share of \$13.89 at the low end of the valuation range, \$16.58 at the midpoint of the valuation range and \$19.36 at the high end of the valuation range.

Contribution Analysis

UBS conducted a contribution analysis which reviewed the relative contribution of each of NRF, NSAM and Colony to Colony NorthStar for each of the following categories: (i) cash EBITDA for calendar years 2016, 2017 and 2018 as estimated by management of the Companies; (ii) aggregate estimated CAD (in the case of NRF and NSAM) and estimated Core FFO (in the case of Colony) for calendar years 2016, 2017 and 2018; and (iii) NAV (in the case of NRF and Colony) and sum-of-the-parts value (in the case of NSAM) as calculated above. UBS then compared the foregoing relative contributions to the enterprise value and debt (in the case of category (i)) and equity value received, adjusted to reflect the original NSAM special dividend (in the cases of categories (ii) and (iii)), in both cases by the stockholders of NRF, NSAM and Colony in the Mergers.

The foregoing analysis indicated the following relative contribution of each of NRF, NSAM and Colony to Colony NorthStar:

Category	NRF	Colony	NSAM
Cash EBITDA			
2016	52.9%	28.1%	19.0%
2017	40.2%	36.6%	23.2%
2018	39.7%	37.6%	22.8%
Enterprise Value	55.4%	30.5%	14.2%
Borrowings	69.0%	27.0%	4.0%
Core FFO/CAD			
2016	45.1%	29.3%	25.6%
2017	33.0%	37.7%	29.3%
2018	28.2%	41.7%	30.1%
Net Asset Value / Sum of the Parts Value	32.7%	33.6%	33.7%
Equity Value Received*	33.3%	32.7%	34.0%

* Adjusted to reflect the original NSAM special dividend.

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Dividend Discount Analyses

UBS conducted dividend discount analyses for the purpose of determining the implied per share equity value reference ranges derived from such analyses for NRF both on a standalone and pro forma basis. In performing the dividend discount analyses, UBS reviewed and analyzed publicly available information and financial estimates and other information provided by NRF, NSAM and Colony.

UBS conducted a standalone dividend discount analysis of NRF based on the estimated CAD and dividend per share as provided by NRF's management for the calendar years 2017 and 2018 and an estimate of terminal value. The implied dividend per share payout ratios (as a percentage of estimated CAD per share) for 2017 and 2018 were 93% and 97%, respectively. UBS also calculated a range of terminal values, assuming either (i) perpetuity growth rates ranging from 0.0% to 2.0% (and a terminal year payout ratio of 97%), or (ii) terminal year payout ratios ranging from 90.0% to 97.0% (and a perpetuity growth rate of 1.0%). UBS discounted the terminal values and 2017-2018 dividend stream to present values using discount rates ranging from 11.5% to 13.5%, which were chosen by UBS based on its professional judgment and expertise.

UBS also performed a pro forma dividend discount analysis of NRF after giving effect to the Mergers based on the estimated CAD and dividend per share of NRF common stock as provided by NRF's management for the calendar years 2017 and 2018 and an estimate of terminal value. The dividend per share payout ratios (as a percentage of estimated CAD per share, excluding gains) for 2017 and 2018 were 74% and 71%, respectively. UBS also calculated a range of terminal values, assuming either: (i) perpetuity growth rates ranging from 3.0% to 5.0% (and a terminal payout ratio of 73%); or (ii) terminal payout ratios ranging from 70.0% to 75.0% (and a perpetuity growth rate of 4.0%). UBS discounted the terminal values and 2017-2018 dividend stream to present values using discount rates ranging from 10.5% to 12.5%, which were chosen by UBS based on its professional judgment and expertise. These analyses indicated a combined approximate implied reference range per share of NRF common stock on a standalone basis of \$12.63 to \$17.46, as compared to the approximate implied reference range per share of NRF common stock on a pro forma basis after giving effect to the Mergers of \$13.19 to \$22.18.

Other Factors

In rendering its opinion, UBS also reviewed, for informational purposes, certain other factors, including:

Pro Forma CAD Accretion/Dilution Analysis

UBS reviewed the potential pro forma effect of the Mergers on estimated CAD per share of NRF common stock for calendar years ending 2017 and 2018. This analysis indicated that the Mergers would be 5.8% and 20.1% accretive to holders of NRF common stock for 2017 and 2018, respectively. UBS also performed similar calculations based on estimated CAD per share of NRF common stock, excluding certain gains. This analysis indicated that the Mergers would be 4.4% dilutive and 3.6% accretive to the holders of NRF common stock for 2017 and 2018, respectively.

Research Perspectives

UBS reviewed share price targets for NRF common stock in six publicly available Wall Street research analyst reports published between May 10, 2016 and June 1, 2016, which indicated a target share price range for NRF of \$12.75 to \$38.00. UBS reviewed share price targets for NSAM common stock in three publicly available Wall Street research analyst reports published between May 11, 2016

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and June 1, 2016, which indicated a target share price range for NSAM of \$12.50 to \$20.00. UBS reviewed share price targets for shares of Colony class A common stock in five publicly available Wall Street research analyst reports published between May 9, 2016 and June 1, 2016, which indicated a target share price range for Colony of \$18.00 to \$30.00.

Illustrative Present Value of Potential Future Share Price

UBS conducted an illustrative review of the implied present value per share of NRF common stock of the potential future price of shares of Colony NorthStar common stock based on the NRF exchange ratio and the following four price/2016 estimated earnings multiples: (i) Colony's Price/2016E Core FFO per share multiple of 9.1x; (ii) NSAM's Price/2016E CAD per share multiple of 9.8x; (iii) the Alternative Asset Managers' average Price/2016E ENI per share multiple of 13.4x; and (iv) the Blended Peer Group average Price/2016E earnings multiple of 13.7x. For purposes of the foregoing analysis, UBS calculated the "Blended Peer Group" multiple as the weighted average of the corresponding multiple for the Mortgage REITs, the Equity REITs and the Alternative Asset Managers based on 2017 estimated CAD contribution from each segment. These four multiples were applied to pro forma 2017 estimated CAD per share based on estimates provided by NRF. Based on these potential future share prices, UBS calculated the value per share of NRF common stock and then added the estimated dividend expected to be received by the holders of NRF common stock for the next 12 months assuming the Mergers close on January 1, 2017. UBS then applied discount rates ranging from 10.5% to 12.5%, which were chosen by UBS based on its professional judgment and expertise, to calculate the present value of the illustrative future value per share, including the projected share price and the dividend expected through June 1, 2017 for purposes of comparison to the current share price. Based on the foregoing, UBS calculated illustrative premiums of the present value of potential future share price per share of NRF common stock, as compared to the price of NRF common stock as of June 1, 2016, that ranged from 19.3% to 76.6%. UBS performed similar calculations based on pro forma 2017 estimated CAD for Colony NorthStar, but excluding certain gains from the potential sale of assets identified by management, which resulted in a range of premiums of the present value of the potential future share price over the current NRF common stock price of 8.4% to 59.4%.

Trading Ratio

UBS reviewed the recent closing prices of NSAM common stock, Colony class A common stock and NRF common stock as of May 6, 2016, June 1, 2016, February 24, 2016 and January 8, 2016. UBS also reviewed the 5-, 10-, 15-, 20-, 30-, 60- and 90-day volume weighted averages for each Company as of each of May 6, 2016 and June 1, 2016. For each share price, UBS calculated the premium or discount implied by the proposed Mergers, where such premium or discount represented each Company's implied value per share based on the combined market capitalization (as of June 1, 2016) of the pro forma company after giving effect to the proposed original NSAM special dividend and proposed ownership split over the corresponding historical trading average prices.

Miscellaneous

Under the terms of UBS' engagement, NRF agreed to pay UBS certain fees for its financial advisor services to the NRF special committee in connection with the Mergers. UBS will receive an aggregate fee of \$18,000,000, of which \$500,000 was received upon execution of the engagement letter, \$250,000 is earned per quarter in connection with its engagement, \$2,000,000 was received upon delivery of its fairness opinion to the NRF special committee, and the remainder of which is contingent upon consummation of the Mergers. In addition, NRF agreed to reimburse UBS for its reasonable expenses, including fees, disbursements and other charges of counsel and to indemnify UBS and related parties against liabilities, including liabilities under federal securities laws, relating to, or arising out of,

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its engagement. In the past, UBS and its affiliates have provided investment banking services to NRF, NSAM, and Colony unrelated to the Mergers, for which UBS and its affiliates received compensation, including having acted as: (i) financial advisor to NRF and NSAM in connection with acquisitions and spin-off transactions; (ii) joint book-running manager in connection with block trades of shares of NRF common stock; (iii) joint bookrunner in connection with the issuance of NRF series E preferred stock; and (iv) joint bookrunner in connection with the issuance of Colony series B and series C preferred stock. In addition, UBS or an affiliate is a participant in NRF's corporate credit facility and CDS-backed bilateral credit facility and a credit facility of Colony for which it received and continues to receive fees and interest payments. UBS has agreed to provide, subject to certain terms and conditions, financing to Colony NorthStar or one of its affiliates in connection with the Mergers and will receive compensation in connection therewith, a portion of which was payable in connection with the delivery of UBS' commitment. In the ordinary course of business, UBS and its affiliates may hold or trade, for their own accounts and the accounts of their customers, securities of NRF, NSAM and Colony and, accordingly, may at any time hold a long or short position in such securities.

The NRF special committee selected UBS as its financial advisor in connection with the Mergers because UBS is an internationally recognized investment banking firm with substantial experience in similar transactions. UBS is regularly engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, leveraged buyouts, negotiated underwritings, competitive bids, secondary distributions of listed and unlisted securities and private placements.

Certain Unaudited Prospective Financial Information of NRF

NRF does not, as a matter of course, publicly disclose long-term projections as to future revenues, earnings or other results given, among other reasons, the uncertainty, unpredictability and subjectivity of the underlying assumptions and estimates. However, in connection with the evaluation of a possible transaction involving NRF, NRF provided the NRF special committee and UBS, the NRF special committee's financial advisor, NSAM and Colony (and NSAM's and Colony's respective advisors) with certain non-public unaudited prospective financial information of NRF covering multiple years that were prepared internally by NRF and not for public disclosure.

A summary of certain of those unaudited prospective financial information, which we refer to as the NRF Standalone Projections, is not being included in this joint proxy statement/prospectus to influence your decision whether to vote for or against the NRF merger proposal and the NRF charter proposal, but is included because they were made available to the NRF special committee, UBS, NSAM and Colony (and NSAM's and Colony's respective advisors). The inclusion of this information should not be regarded as an indication that the NRF special committee, the NRF board, their respective advisors or any other person considered, or now considers, the NRF Standalone Projections to be material or to be necessarily predicative of actual future results and the NRF Standalone Projections should not be relied upon as such. NRF's management's internal prospective financial information, upon which the NRF Standalone Projections were based, is subjective in many respects. There can be no assurance that the NRF Standalone Projections will be realized or that actual results will not be significantly higher or lower than forecasted. The NRF Standalone Projections cover multiple years and such information by its nature becomes subject to greater uncertainty with each successive year. As a result, the inclusion of the NRF Standalone Projections in this joint proxy statement/prospective should not be relied on as necessarily predictive of actual future events.

In addition, the NRF Standalone Projections were not prepared with a view toward public disclosure or toward complying with GAAP, the published guidelines of the SEC regarding projections and the use of non-GAAP measures or the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of prospective financial information. Neither NRF's independent registered public accounting firm, nor any other independent accountants,

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have compiled, examined or performed any procedures with respect to the NRF Standalone Projections contained in this joint proxy statement/prospectus, nor have they expressed any opinion or any other form of assurance on such information or its achievability. The NRF Standalone Projections include certain non-GAAP financial measures. Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information presented in compliance with GAAP, and non-GAAP financial measures as presented in this joint proxy statement/prospectus may not be comparable to similarly titled amounts used by NSAM or other companies. The footnotes to the table below provide certain supplemental information with respect to the calculation of these non-GAAP financial measures.

Additionally, although the NRF Standalone Projections presented below is presented with numerical specificity, it is not fact. The NRF Standalone Projections were based on numerous variables and assumptions that were deemed to be reasonable as of the respective dates when such projections were finalized. Such assumptions are inherently uncertain and may be beyond the control of NRF. Important factors that may affect actual results and cause the NRF Standalone Projections not to be achieved include, but are not limited to, risks and uncertainties relating to NRF's business (including its ability to achieve strategic goals, objectives and targets), industry performance, the legal and regulatory environment, general business and economic conditions and other factors described or referenced under the section entitled "Cautionary Statement Concerning Forward-Looking Statements" beginning on page 79 of this joint proxy statement/prospectus. In addition, the NRF Standalone Projections reflect assumptions that are subject to change and do not reflect revised prospects for NRF's business, changes in general business or economic conditions, or any other transaction or event that has occurred or that may occur and that was not anticipated at the time the NSAM Standalone Projections were prepared. NRF has not prepared revised Standalone Projections to take into account other variables that have changed since the dates on which the NSAM Standalone Projections were finalized. There can be no assurance that the NRF Standalone Projections will be realized or that NRF's future financial results will not materially vary from the NRF Standalone Projections. NRF has made available its actual results of operations for the fiscal quarter ended September 30, 2016, and stockholders are urged to review carefully NRF's Quarterly Report on Form 10-Q for such period.

Except to the extent required by law, NRF does not intend to update or otherwise revise the NRF Standalone Projections to reflect circumstances existing after the date when made or to reflect the occurrence of future events, even in the event that any or all of the assumptions underlying such prospective financial information are no longer appropriate.

The NRF Standalone Projections were based on numerous variables and assumptions, including the following material assumptions: (i) completion of the pending assets sales of the manufactured housing, multifamily, medical office building and healthcare joint venture portfolios; (ii) redeployment of these proceeds throughout the projection period at leverage levels of approximately 30% loan-to-value and investment yields of approximately 9% return on equity; (iii) no future capital raising; (iv) repayment of existing \$425 million term loan; (v) real estate securities and private equity fund investment capital returned based on the projected life of each investment; and (vi) full utilization of NRF's \$500 million share repurchase program.

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The following is a summary of the NRF Standalone Projections (in millions):

	Years Ending in December 31,		
	2016E	2017E	2018E
NOI & Other Revenue ⁽¹⁾⁽²⁾	\$ 1,115	\$ 853	\$ 854
EBITDA before Equity-Comp ⁽³⁾	\$ 920	\$ 657	\$ 657
CAD ⁽⁴⁾	\$ 417	\$ 288	\$ 263

- (1) NRF defines Net Operating Income, or NOI, as total property and related revenues, adjusted for: (i) amortization of above/below market rent; (ii) straight line rent; (iii) other items such as adjustments related to joint ventures, cash flow related to community fees and non-recurring bad debt expense; and (iv) less property operating expenses. However, the usefulness of NOI is limited because it excludes general and administrative costs, interest expense, transaction costs, depreciation and amortization expense, realized gains (losses) from the sale of properties and other items under GAAP and capital expenditures and leasing costs necessary to maintain the operating performance of properties, all of which may be significant economic costs. NOI may fail to capture significant trends in these components of GAAP net income (loss) which further limits its usefulness.
- NOI should not be considered as an alternative to net income (loss), determined in accordance with GAAP, as an indicator of operating performance. In addition, our methodology for calculating NOI involves subjective judgment and discretion and may differ from the methodologies used by other comparable companies, including other REITs, when calculating the same or similar supplemental financial measures and may not be comparable with these companies.
- (2) NRF defines Other Revenue as net interest income derived from: (i) real estate debt investments; (ii) real estate securities; and (iii) equity in earnings from investments in unconsolidated ventures. NRF recognizes interest income from real estate securities using the effective interest method with any premium or discount amortized or accreted through earnings based on expected cash flow through the expected maturity date of the security. Unconsolidated ownership interest in an entity may be accounted for using the equity method, at fair value or the cost method. NRF elected the fair value option for its investments (directly or indirectly in joint ventures) that own limited partnership interests in real estate private equity funds and certain investments in unconsolidated ventures.
- (3) NRF defines EBITDA before Equity-Comp as NOI and Other Revenue less general and administrative expenses, straight line rent and above/below market lease adjustments. Cash general and administrative expenses include the annual management fee, salaries and related expenses and other general and administrative expenses and exclude equity-based compensation expense.
- (4) NRF defines CAD by subtracting from or adding to net income (loss) attributable to common stockholders, non-controlling interests and the following items: depreciation and amortization items including depreciation and amortization, straight-line rental income or expense (excluding amortization of rent free periods), amortization of above/below market leases, amortization of deferred financing costs, amortization of discount on financings and other and equity-based compensation; cash flow related to N-Star CDO equity interests; accretion of consolidated N-Star CDO bond discounts; non-cash net interest income in consolidated N-Star CDOs; unrealized gain (loss) from the change in fair value; realized gain (loss) on investments and other, excluding accelerated amortization related to sales of CDO bonds or other investments; provision for loan losses, net; impairment on depreciable property; non-recurring bad debt expense; deferred tax benefit (expense); acquisition gains or losses; distributions and adjustments related to joint venture partners; transaction costs; foreign currency gains (losses); impairment on goodwill and other

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intangible assets; gains (losses) on sales; and one-time events pursuant to changes in GAAP and certain other non-recurring items.

CAD should not be considered as an alternative to net income (loss) attributable to common stockholders, determined in accordance with GAAP, as an indicator of operating performance. In addition, NRF's methodology for calculating CAD involves subjective judgment and discretion and may differ from the methodologies used by other comparable companies, including other REITs, when calculating the same or similar supplemental financial measures and may not be comparable with these companies.

Financing

The merger agreement provides that no party will be required to consummate the Mergers if, subject to certain conditions, financing is unavailable and the combined company, upon consummation of the transactions, will not have sufficient unrestricted cash to repay certain specified borrowings and all transaction expenses. For the purpose of repaying such borrowings and all transaction expenses, Colony, through its subsidiary, Colony OP, has entered into a commitment letter, which we refer to as the commitment letter, dated June 2, 2016, with JPMorgan Chase Bank, N.A., Bank of America, N.A., Barclays Bank PLC, Credit Suisse AG, Cayman Islands Branch, Credit Suisse Securities (USA) LLC, Deutsche Bank AG Cayman Islands Branch, Deutsche Bank AG New York Branch, Deutsche Bank Securities Inc., Morgan Stanley Senior Funding, Inc., UBS Securities LLC and UBS AG, Stamford Branch, which we refer to collectively as the committed financing sources. Pursuant to the merger agreement, Colony has agreed to obtain and consummate the financing on or prior to the closing date on the terms and conditions described in the commitment letter.

If Colony NorthStar is expected to not have sufficient funds available, including cash on hand and the committed financing, to consummate the transactions contemplated by the merger agreement, including repaying the certain specified borrowings and all transaction expenses, the parties have agreed to arrange and procure supplemental financing, as described in more detail in the section entitled "The Merger Agreement Covenants and Agreements Financing" beginning on page 300 of this joint proxy statement/prospectus.

Committed Facility

On June 2, 2016, Colony OP entered into the commitment letter pursuant to which the committed financing sources have agreed to vote any loans and commitments held by them in favor of, and enter into, an amendment, which we refer to as the proposed amendment, to an existing senior secured revolving credit facility, which we refer to as the revolving credit facility, which is established under the amended and restated credit agreement, dated as of March 31, 2016, among Colony OP, the lenders thereto and JPMorgan Chase Bank, N.A., as administrative agent, which we refer to as the existing credit agreement. The proposed amendment, among other things, establishes a new 364-day bridge loan facility, which we refer to individually as the bridge facility and, together with the revolving credit facility in amended form, as the credit facilities, and amends certain other provisions of the existing credit agreement, including the calculation of the borrowing base under the revolving credit facility. The committed financing sources have committed to providing the bridge facility in a maximum principal amount of \$400 million (such amount shall be reduced pursuant to certain actions of the Companies, as described in more detail in the section entitled "Prepayments and Commitment Reductions" beginning on page 209 of this joint proxy statement/prospectus). The committed financing sources have also agreed to promptly market and syndicate the bridge facility.

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The commitment letter is attached as Annex H to this joint proxy statement/prospectus and is incorporated by reference herein. The commitments under the commitment letter will terminate automatically on the earliest of: (i) the date of termination of the merger agreement; (ii) the closing of the transaction without the use of the bridge facility; and (iii) March 17, 2017, which is the outside date under the merger agreement.

The following is a summary description of certain terms of the bridge facility and the amendments to the revolving credit facility. Certain terms of the definitive documentation for the credit facilities may vary from those described below based on final negotiations with the lenders.

Guarantees; Security

The credit facilities will be guaranteed by all of Colony OP's existing and future direct and indirect domestic wholly owned subsidiaries, other than certain excluded subsidiaries. The credit facilities will be secured by first-priority pledges of all of the equity interests in each of Colony OP's and the guarantors' existing and future domestic subsidiaries (but limited to 66% of the voting equity interests of their controlled foreign company subsidiaries), subject to certain other customary exclusions, and first priority security interests in all collateral accounts and distribution accounts and the assets held therein, all security entitlements in any of the foregoing and all proceeds of the foregoing, in each case subject to customary exclusions.

Availability and Maturity

The borrowings under the bridge facility will be made in a single drawing by Colony OP on the closing date, subject to the satisfaction or waiver of certain conditions and availability of the funding. Any undrawn commitments under the bridge facility will automatically be terminated on the closing date. The borrowings under the bridge facility will mature 364 days after the closing date.

The borrowings under the revolving credit facility will be available on a revolving basis from the closing date until March 31, 2020, on which date such loans will mature. Colony OP will have two options to extend the term for an additional six months each, subject to certain conditions substantially the same as in the existing credit agreement.

Prepayments and Commitment Reductions

Colony OP is required to make mandatory prepayments in the amount that the total outstanding borrowings under the revolving credit facility exceed the total commitments under the revolving credit facility or the amount that the total outstanding borrowings under the credit facilities exceed the maximum permitted amount (subject to certain adjustments), as calculated substantially the same as in the existing credit agreement. Colony OP is permitted to make optional prepayments of borrowings under the credit facilities at any time, without premium or penalty.

From the date of the commitment letter to the closing, the aggregate commitments under the bridge facility will be reduced by the net cash proceeds of: (i) certain designated assets sales; (ii) corporate-level recourse indebtedness incurred under new commitments; or (iii) issuance of equity by any of the Companies, or after the closing, by Colony NorthStar. After the closing, the borrowings under the bridge facility must be prepaid by such amounts.

Interest

Borrowings under the credit facilities will bear interest, at Colony OP's option, at an annual rate equal to either a specified "base rate" plus a margin or the eurodollar rate plus a margin. With

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respect to the bridge facility, such margins will increase by 25 basis points on the date that is 90 days after the closing date and every 90 days thereafter.

Covenants

The credit facilities will contain customary affirmative and negative covenants for facilities of their type, which will be substantially the same as in the existing credit agreement. The negative covenants are expected to be subject to customary exceptions, qualifications and baskets.

The credit facilities are also expected to have financial maintenance covenants establishing a maximum consolidated leverage ratio, a minimum consolidated fixed charge coverage ratio, a minimum consolidated interest coverage ratio, a minimum consolidated tangible net worth and that the total borrowings under the credit facilities shall not at any time exceed the maximum permitted amount.

Events of Default

The credit facilities will have events of default customary for facilities of their type, which will be substantially the same as in the existing credit agreement, including: nonpayment of principal, interest, fees and other amounts; inaccuracy of representations and warranties in any material respect; violation of covenants; cross-default and cross-acceleration to material indebtedness; bankruptcy and insolvency events; material judgments; ERISA events; collateral matters; certain regulatory matters; and certain "change of control" transactions; subject, where appropriate, to threshold, notice and grace period provisions.

The parties have agreed to amend the covenants and events of default under the existing credit agreement to permit the consummation of the transactions contemplated by the merger agreement.

Conditions to the Committed Financing

The availability of the bridge facility and any revolving loan made on the closing date to finance the transactions contemplated by the merger agreement are subject to the satisfaction or waiver of certain conditions, including the following:

receipt by the administrative agent of an executed amendment to the existing credit agreement on terms consistent with the commitment letter or as otherwise agreed, along with customary closing certificates and opinions of counsel and payment of fees in connection with such amendment;

consummation of the Mergers pursuant to the merger agreement, substantially concurrently with the funding of the bridge facility, and there having been no amendment, modification or waiver to the merger agreement, or consent granted by Colony OP or its affiliates thereunder, materially adverse to the interests of the committed financing sources;

certain specified representations and warranties described in the commitment letter and the merger agreement being true and correct in all material respects;

no material adverse effects with respect to NSAM or NRF having occurred since the date of the merger agreement;

payment of all fees and expenses due under the commitment letter and related documentation shall have been paid;

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customary closing documentation and collateral requirements;

the financial institutions serving as lead arrangers in connection with the bridge facility shall have received one or more customary confidential information memoranda and other customary marketing material used for the syndication of the bridge facility and shall have been afforded a period of time to syndicate the bridge facility, which shall be 20 consecutive business days (or such lesser period as the lead arrangers shall agree in their sole discretion) from the date of delivery of the confidential information memorandum to the lenders; and

the delivery of certain historical financial information for Colony OP, NSAM and NRF and their respective subsidiaries and pro forma financial information for Colony OP and its subsidiaries.

Interests of NSAM's Directors and Executive Officers in the Mergers

In considering the recommendation of the NSAM special committee and the NSAM board with respect to the proposed Mergers, you should be aware that directors and executive officers of NSAM may have certain interests in the Mergers that may be different from, or in addition to, the interests of NSAM's stockholders generally. The NSAM special committee and the NSAM board were aware of and considered these interests, among other matters, in evaluating and, in the case of the NSAM special committee, negotiating the merger agreement and Mergers and in recommending that the merger agreement be adopted by the stockholders of NSAM. These interests are described below.

The NSAM Executive Officers Forego All Cash Severance and 2017 Post-Merger Compensation and Receive Replacement Equity Awards with Significantly Reduced Value

Concurrently with the signing of the merger agreement each of the NSAM executive officers (Messrs. Hamamoto, Tylis, Gilbert and Lieberman and Ms. Hess) entered into a letter agreement with NSAM and NRF. Pursuant to these letter agreements, as subsequently amended, which we refer to, collectively, as the letter agreements, among other things, the NSAM executive officers will:

forego all of the cash severance that the NSAM executive officers would have been entitled to receive if they voluntarily terminated their employment following the Mergers;

receive invested Colony NorthStar restricted stock unit or restricted stock awards, which we refer to, collectively, as the replacement equity awards, with a maximum aggregate value that is approximately \$52 million less than the estimated cash severance that the NSAM executive officers would have been entitled to receive if they voluntarily terminated their employment following the Mergers, with Messrs. Hamamoto, Tylis and Gilbert bearing the full amount of this reduction;

have the number of shares of Colony NorthStar common stock subject to the replacement equity awards calculated based on a per share price equal to the greater of \$15.00 or the volume weighted average price of a share of Colony NorthStar common stock over the first five trading days immediately following the closing of the Mergers, which would result in an approximately \$22 million reduction in the value of these replacement equity awards based on an assumed price per share of Colony NorthStar common stock equal to \$12.23 per share, which was the average closing price of NSAM common stock over the first five trading days following June 3, 2016;

provide services to Colony NorthStar during the full year of 2017 following the Mergers for no additional compensation other than a nominal annual base salary equal to \$1.00; and

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David T. Hamamoto will submit his resignation as a director of Colony NorthStar in the event that his equity interest in Colony NorthStar falls below 50% of his equity interest as of the closing of the Mergers.

The replacement equity award granted to each of the NSAM executive officers will be subject to vesting based on continued employment with Colony NorthStar through the first anniversary of the closing of the Mergers (with accelerated vesting upon certain terminations of employment prior to that date). In addition, for Messrs. Hamamoto and Gilbert, an additional one-year post-vesting holding requirement will apply with respect to all of the shares that vest other than those retained by Colony NorthStar to satisfy tax liabilities resulting from such vesting, provided that such holding period will lapse upon certain terminations of employment prior to the end of the holding period.

Each of the NSAM executive officers is a party to an existing employment agreement with NSAM or one of its subsidiaries. In the absence of the letter agreements, pursuant to the terms of these employment agreements, upon the closing of the Mergers, each of the NSAM executive officers would have grounds to terminate his or her employment for "good reason" (as such term is defined in each employment agreement) and receive the following payments and benefits:

cash severance in an amount equal to 3.0 times in the case of Mr. Hamamoto, 2.5 times in the case of Mr. Tylis, 2.0 times in the case of Mr. Gilbert and 1.5 times in the case of Ms. Hess or Mr. Lieberman the sum of his or her: (i) base salary at the rate in effect on the date of termination; and (ii) average annual bonuses (including annual cash bonuses and annual bonuses paid in stock of NSAM or other securities of NSAM, NRF or any other entity managed by NSAM) earned for the three years (or such fewer number of years from and after 2014) that ended prior to the date of termination;

a pro-rated bonus for the year of termination based on his or her target annual cash bonus in the year of termination (or annual bonus for the prior year if a target has not been determined); and

continuation of health benefits until the earlier of the one-year anniversary of the date of termination and the date on which he or she receives similar health benefits from another person.

Pursuant to the letter agreements, each of the NSAM executive officers agreed not to receive these payments or benefits in connection with the Mergers and agreed to amend his or her existing employment agreement to remove all of these provisions and all other provisions of these agreements that would have provided for any payments or benefit upon a termination of employment or change of control following the closing of the Mergers. As a result, none of the NSAM executive officers will be entitled to receive any cash severance from Colony NorthStar in the event of a termination of employment following the closing of the Mergers (other than nominal severance equal to one week of base salary). Colony NorthStar may seek to enter into new employment agreements with one or more of the NSAM executive officers following the closing of the Mergers, but it will be under no obligation to do so.

The letter agreements provide for the replacement equity awards to be issued to the NSAM executive officers by Colony NorthStar as soon as practicable following the closing of the Mergers. As noted above, the maximum aggregate value of the replacement equity awards is approximately \$52 million less than the estimated cash severance that the NSAM executive officers would have been entitled to receive under their employment agreements if they voluntarily terminated their employment following the Mergers and the actual aggregate value of the replacement equity awards may be reduced further because the NSAM executive officers have agreed to have the number of shares subject to such

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awards attributed a minimum value of \$15.00 per share. Pursuant to the terms of the letter agreements, the maximum value of each of the NSAM executive officer's replacement equity award will be as follows: Mr. Hamamoto - \$52,595,810; Mr. Tylis - \$29,930,569; Mr. Gilbert - \$23,082,043; Ms. Hess - \$8,622,725 and Mr. Lieberman - \$5,416,813. The number of shares of Colony NorthStar common stock subject to the replacement equity award granted to each of the NSAM executive officers will be equal to the foregoing respective amounts, divided by the volume weighted average price of a share of Colony NorthStar common stock over the first five trading days immediately following the closing of the Mergers; provided that the number of shares of Colony NorthStar common stock subject to the replacement equity award granted to each of the NSAM executive officers will be reduced to the extent that such volume weighted average price is less than \$15.00 per share. In such event, the number of shares of Colony NorthStar common stock subject to the replacement equity award will equal the foregoing respective amounts divided by \$15.00. If the price of Colony NorthStar common stock equals \$12.23 per share following the closing of the Mergers, which was the average closing price of NSAM common stock over the first five trading days following June 3, 2016, the actual aggregate value of the replacement equity awards received by the NSAM executive officers would be reduced by an additional approximately \$22 million due to the impact of this \$15.00 per share floor price. Each of the NSAM executive officers will have the right to elect whether to receive restricted stock units or shares of restricted stock for such NSAM executive officer's replacement equity award. Dividends or dividend equivalents will be paid currently with respect to the replacement equity awards.

The letter agreements provide that Mr. Hamamoto will serve as the Executive Vice Chairman of Colony NorthStar; Mr. Gilbert will oversee the retail platform of Colony NorthStar; and Messrs. Tylis and Lieberman and Ms. Hess will each provide transition services on behalf of Colony NorthStar relating to their current roles at NSAM. As noted above, the letter agreements with each of the NSAM executive officers provide for an annual base salary for 2017 of \$1.00 and confirm that each of the NSAM executive officers has waived all rights to a bonus for 2017.

The effectiveness of the letter agreements is contingent on the closing of the Mergers.

Vesting/Forfeiture of Performance-Based Equity Awards Messrs. Hamamoto, Tylis and Gilbert Agree to Forfeit Majority of Shares Projected to be Earned

Historically, each of the NSAM executive officers has received performance-based equity awards from NSAM, NRF and NRE that were subject to vesting based on total stockholder return of the stockholders of NSAM, NRF and/or NRE over specified performance periods. Additionally, as part of the NSAM executive officer compensation program for 2016, each of the NSAM executive officers is also entitled to receive similar performance-based equity awards for 2016. As described in more detail below, the number of shares of NSAM common stock and NRF common stock to be subject to these performance-based equity awards for 2016 was fixed pursuant to the letter agreements. The following tables set forth the maximum number of shares of NSAM common stock, NRF common stock and NRE common stock that could be earned pursuant to performance-based equity awards previously granted to each of the NSAM executive officers (or to be granted for 2016), other than those with a performance period that is scheduled to end prior to the closing of the Mergers in 2017 and the

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performance grants made by NRE in connection with the NRE spin-off, which will be unaffected by the Mergers:

Previously Granted/2016 Performance-Based Equity Awards

Name	NSAM Performance-Based Equity Awards					Total
	Absolute TSR Spin-Off	Relative TSR Spin-Off	2014 LT Bonus	2015 LT Bonus	2016 LT Bonus*	
David T. Hamamoto	700,934	876,167	182,242	377,448	345,283	2,482,074
Albert Tylis	467,289	584,111	121,495	251,632	242,136	1,666,663
Daniel R. Gilbert	467,289	584,111	121,495	251,632	221,981	1,646,508
Debra A. Hess	140,187	175,233	33,411	70,086	61,834	480,751
Ronald J. Lieberman	93,458	116,822	16,199	46,159	40,766	313,404

Name	NRF Performance-Based Equity Awards			Total
	2014 LT Bonus	2015 LT Bonus	2016 LT Bonus*	
David T. Hamamoto	112,237	220,823	241,766	574,826
Albert Tylis	74,824	147,215	169,543	391,582
Daniel R. Gilbert	74,824	147,215	155,430	377,469
Debra A. Hess	20,577	41,003	43,296	104,876
Ronald J. Lieberman	9,976	27,005	28,545	65,526

Name	NRE Performance-Based Equity Awards			Total
	2014 LT Bonus	2015 LT Bonus	EST. 2016 LT Bonus**	
David T. Hamamoto	37,412	73,608	96,865	207,885
Albert Tylis	24,941	49,072	67,929	141,942
Daniel R. Gilbert	24,941	49,072	62,274	136,287
Debra A. Hess	6,859	13,668	17,347	37,874
Ronald J. Lieberman	3,325	9,002	11,437	23,764

* Refer to " 2016 Bonus Pool Amounts Fixed for the NSAM Executive Officers; Reflect Significant Reductions from 2015" beginning on page 216 of this joint proxy statement/prospectus.

** Estimated

Pursuant to the terms of these awards, upon the closing of the Mergers, each of the NSAM executive officers would have vested in a pro rata percentage of each of these awards based on the greater of: (i) the percentage of the performance period that had elapsed; or (ii) the percentage of such award that would have been earned at the end of the four-year performance period applicable to such award, based on the value of the consideration received for the NSAM and NRF common stock in the Mergers and the 20-day trailing average closing price of the NRE common stock through the date of the closing of the Mergers, as applicable. Any portion of these awards that did not vest would have been forfeited.

Notwithstanding the accelerated vesting conditions described in the immediately preceding paragraph, pursuant to the letter agreements, each of the NSAM executive officers agreed to fix the number of shares that would be earned upon the closing of the Mergers pursuant to these awards based on pre-signing stock prices and an assumed closing date in January 2017. These amounts were fixed in order to assist with the establishment of the exchange ratios in the merger agreement. In addition, Messrs. Hamamoto, Tylis and Gilbert each agreed to forfeit a majority of these performance-based equity awards that each was projected to earn upon the closing of the Mergers based on information available prior to the signing of the merger agreement. The following table illustrates the number of shares that could have been earned pursuant to these performance-based equity awards that

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each of the NSAM executive officers (i) will forfeit (including shares that Messrs. Hamamoto, Tylis and Gilbert were projected to earn but voluntarily agreed to forfeit and shares that the NSAM executive officers were not projected to earn) and (ii) will earn upon the closing of the Mergers:

Name	NSAM 60% Forfeited		NRF 75% Forfeited		NRE 76% Forfeited	
	Forfeited	Earned	Forfeited	Earned	Forfeited	Earned
David T. Hamamoto	(1,606,720)	875,354	(446,869)	127,957	(163,148)	44,737
Albert Tylis	(1,081,567)	585,096	(305,208)	86,374	(111,691)	30,251
Daniel R. Gilbert	(1,063,989)	582,519	(292,898)	84,571	(106,758)	29,529
Debra A. Hess	(130,422)	350,329	(57,004)	47,872	(21,155)	16,719
Ronald J. Lieberman	(84,879)	228,525	(36,710)	28,816	(13,656)	10,108
Total	(3,967,577)	2,621,823	(1,138,689)	375,590	(416,408)	131,344

As illustrated above, the NSAM executive officers, in the aggregate, will be forfeiting a substantial majority of their outstanding performance-based equity awards, including, for Messrs. Hamamoto, Tylis and Gilbert, a majority of the performance-based equity awards that each was projected to earn upon the closing of the Mergers. In the absence of the Mergers, these awards would have been earned based on the achievement of the applicable total stockholder return thresholds through the end of the applicable performance periods and, accordingly, the NSAM executive officers may have earned a greater or lesser number of shares pursuant to these performance-based equity awards. Pursuant to the terms of these performance-based equity awards, with respect to the shares that are earned, the NSAM executive officers will be entitled to receive the cash distributions that would have been paid with respect to such shares if they had been issued at the beginning of the applicable performance period (or, with respect to the awards granted in connection with the NSAM spin-off and 2014 long-term bonus awards, December 15, 2014 and January 1, 2015, respectively).

Acceleration of Time-Based Equity Awards

All of the unvested NSAM, NRF and NRE equity awards that were granted to NSAM's directors and executive officers prior to the signing of the merger agreement or are to be granted to the NSAM executive officers for 2016 pursuant to the NSAM Executive Incentive Bonus Plan, that are scheduled to vest based solely on continued service or employment will be, in accordance with their terms, 100% vested upon the closing of the Mergers. The following table sets forth the number of shares, LTIP units and common units subject to these equity awards that are held by or to be granted to the NSAM executive officers that will become fully vested upon the closing of the Mergers and the aggregate percentage of these awards that were scheduled to vest during 2017 (*i.e.*, the period during which the NSAM executive officers agreed to remain employed by Colony NorthStar following the Mergers):

Previously Granted/2016 Time-Based Equity Awards

Name	NSAM*	NRF*	NRE**
	68% Vesting 2017	54% Vesting 2017	42% Vesting 2017
David T. Hamamoto	857,037	385,605	294,738
Albert Tylis	577,332	261,253	218,600
Daniel R. Gilbert	567,255	254,197	186,739
Debra A. Hess	159,327	69,767	56,972
Ronald J. Lieberman	101,753	43,803	41,369

* Refer to " 2016 Bonus Pool Amounts Fixed for the NSAM Executive Officers; Reflect Significant Reductions from 2015" beginning on page 216 of this joint proxy statement/prospectus.

** Includes estimated unvested number of shares to be granted for 2016.

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The following table sets forth the number of shares or LTIP units subject to NSAM, NRF and NRE time-based equity awards held by NSAM's non-employee directors (including NSAM non-employee directors that are also non-employee directors of NRF) that will become fully vested pursuant to the Mergers:

Name	NSAM	NRF	NRE
Stephen E. Cummings	2,084		
Judith A. Hannaway	2,084		11,686
Oscar Junquera	2,084		11,686
Justin Metz	2,084		
Wesley D. Minami	2,084		11,686
Louis J. Paglia	2,084		

2016 Bonus Pool Amounts Fixed for the NSAM Executive Officers; Reflect Significant Reductions from 2015

Pursuant to the letter agreements, each of the NSAM executive officers agreed to fix the number of shares of NSAM common stock and NRF common stock that will be eligible to be granted as long-term bonus and the size of the annual cash bonus pool for 2016 under the NSAM Executive Incentive Bonus Plan. These amounts were fixed in order to assist with the establishment of the exchange ratios in the merger agreement and were determined based on mutually agreed upon projections relating to 2016 performance and closing stock prices from May 27, 2016, as opposed to being determined based on a specified percentage of NSAM's actual revenues, as adjusted for certain items, for full-year 2016 and trailing average stock prices at December 31, 2016 pursuant to previously granted bonus award notices for 2016, which amounts could have been higher or lower than these agreed upon amounts. Consistent with the intended structure of NSAM's 2016 executive compensation program, these amounts reflect significant reductions from 2015. The percentages of NSAM's revenues, as adjusted for certain items, that were to constitute the long-term bonus pool and cash bonus pool for 2016 were 55% and 46% less than the percentages used to determine the sizes of these pools for 2015. The fixed amounts represent a 41% reduction in the absolute size of the long-term bonus pool and a 30% reduction in the absolute size of the cash bonus pool, which, as anticipated, reflect significant reductions even after taking into account projected increases in NSAM's revenues.

The table below sets forth the number of shares of NSAM common stock and NRF common stock each of the NSAM executive officers will be eligible to be granted for 2016. The time-based equity awards will be granted subject to the achievement of certain minimum performance hurdles and the unvested portion will fully vest upon the closing of the Mergers.

Name	2016 Time-Based Equity Awards (NSAM/NRF)					
	NSAM			NRF		
	Vested Pre-Mergers	Vesting Upon Mergers	Total	Vested Pre-Mergers	Vesting Upon Mergers	Total
David T. Hamamoto	57,547	172,642	230,189	40,294	120,884	161,178
Albert Tylis	40,356	121,068	161,424	28,257	84,772	113,029
Daniel R. Gilbert	36,996	110,991	147,987	25,905	77,715	103,620
Debra A. Hess	10,305	30,917	41,222	7,216	21,648	28,864
Ronald J. Lieberman	6,794	20,384	27,178	4,757	14,273	19,030

As noted above, an agreed upon percentage of the performance-based equity awards granted for 2016 will vest upon the closing of the Mergers, which is less than the percentage that would have

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vested in accordance with the terms of these performance-based equity awards based on current projections and the remainder will be forfeited as set forth below.

Name	2016 Performance-Based Equity Awards (NSAM/NRF)					
	NSAM			NRF		
	Granted	Forfeited	Vested	Granted	Forfeited	Vested
David T. Hamamoto	345,283	(301,145)	44,138	241,766	(210,879)	30,887
Albert Tylis	242,136	(211,183)	30,953	169,543	(147,883)	21,660
Daniel R. Gilbert	221,981	(193,605)	28,376	155,430	(135,573)	19,857
Debra A. Hess	61,834	(45,708)	16,126	43,296	(32,009)	11,287
Ronald J. Lieberman	40,766	(30,134)	10,632	28,545	(21,104)	7,441

Pursuant to the letter agreements, the annual cash bonus pool for 2016 under the NSAM Executive Incentive Bonus Plan was fixed at \$30,292,804, which is 30% less than the annual cash bonus pool for 2015. In addition, NSAM agreed that it would not utilize its negative discretion to reduce the size of the awards granted to Ms. Hess and Mr. Lieberman. NSAM had previously reserved the right to reduce their awards by up to 20% in the aggregate.

Modification of Non-Competition Covenant for the NSAM Executive Officers

Each of the NSAM executive officers also agreed to modify the terms of the existing non-competition covenant contained within his or her existing employment agreement with NSAM or one of its subsidiaries. Pursuant to the existing employment agreements, each of the NSAM executive officers generally agreed not to engage, directly or indirectly, within the United States in any business that competes directly with the principal businesses conducted by NSAM as of the date of his or her termination of employment. This non-competition covenant applied while each of the NSAM executive officers was employed and for a period of one year after his or her termination, unless the termination was by NSAM without "cause," by the NSAM executive officers with "good reason" (provided that a change of control did not occur prior to the termination) or upon expiration of the term due to NSAM's non-renewal. Pursuant to the letter agreements, each of the NSAM executive officers agreed that the non-competition covenant would apply in the event of any termination of employment. For Messrs. Hamamoto, Tylis and Gilbert, the non-competition covenant will apply for 12 months after termination or, if the termination is by Colony NorthStar without "cause" or the NSAM executive officer with "good reason," for 12 months after the closing of the Mergers. For Ms. Hess and Mr. Lieberman, the non-competition covenant will apply for 12 months after the closing of the Mergers in all circumstances.

Other Interests

The letter agreements provide for the reimbursement of the reasonable costs and expenses of the NSAM executive officers relating to the preparation, negotiation and execution of the letter agreements and related arrangements and agreements, with the aggregate amount of such costs and expenses for all of the NSAM executive officers not to exceed \$150,000.

In addition, as of the closing of the Mergers, the Colony NorthStar board will consist of 10 members, of whom five will be designated by NSAM and NRF and five will be designated by Colony. Eight of the 10 members will be independent under applicable NYSE Rules. As of November 14, 2016, David T. Hamamoto is the only current NSAM director who has been identified as a member of the Colony NorthStar board following the closing of the Mergers, although NSAM and NRF intend to designate two existing independent directors of NSAM or NRF to be directors of Colony NorthStar.

Table of Contents***Indemnification and Insurance***

Pursuant to the terms of the merger agreement, NSAM's directors and executive officers will be entitled to certain ongoing indemnification and coverage under directors' and officers' liability insurance policies. Refer to the section entitled "The Merger Agreement Covenants and Agreements Directors' and Officers' Insurance and Indemnification" beginning on page 298 of this joint proxy statement/prospectus for a description of such ongoing indemnification and coverage obligations.

Interests of Colony's Directors and Executive Officers in the Mergers

In considering the recommendation of the Colony board with respect to the proposed Mergers, you should be aware that directors and executive officers of Colony may have certain interests in the Mergers that may be different from, or in addition to, the interests of Colony's stockholders generally. The Colony board was aware of and considered these interests, among other matters, in evaluating and negotiating the merger agreement and Mergers, and in recommending that the merger agreement be adopted by the stockholders of Colony. These interests are described below. The arrangements described below are not new or amended arrangements being put in place for Colony's directors and executive officers, but consistent with the compensation arrangements previously approved by the Colony board and disclosed to the Colony stockholders.

Acceleration of Restricted Stock Awards Held by Non-Employee Directors

Unvested restricted stock awards that have been granted or may be granted to Colony's non-employee directors under Colony's 2009 Non-Executive Director Stock Plan in accordance with the non-executive compensation policy will vest by their terms on a "single-trigger" basis upon the closing of the Mergers. The following table sets forth the number of shares of Colony common stock subject to the restricted stock awards held by Colony's non-employee directors that will vest upon the closing of the Mergers assuming a closing date for the Mergers of January 4, 2017:

Name	Previously Granted Time-Based Equity Awards	
	Number of Shares ⁽¹⁾	
Nancy A. Curtin		7,581
George G. C. Parker		7,581
John A. Somers		7,581
John L. Steffens		7,581

(1)

Represents the number of the restricted shares of Colony class A common stock based on outstanding grants as of July 26, 2016.

Acceleration of Restricted Stock Awards Held by Colony Executive Officers upon Certain Qualifying Terminations of Employment Following the Mergers

Unvested restricted stock awards that have been granted or may be granted in the normal course of business to the Colony executive officers under Colony's 2014 Equity Incentive Plan will not vest on a "single-trigger" basis upon the closing of the Mergers, but will vest pursuant to the restricted stock agreement upon an "involuntary termination" within the twelve-month period following the closing of the Mergers.

Under the restricted stock agreement, "involuntary termination" occurs when the executive officer's employment is terminated by reason of (i) involuntary dismissal by the employer other than for "cause"; or (ii) the executive's voluntary resignation for "good reason," as such term is defined in any applicable employment or severance agreement, or if none exists, the executive's voluntary resignation

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following (x) a substantial adverse alternation in the executive's title or responsibilities from those in effect immediately prior to the Mergers; (y) a reduction in the executive's annual base salary as of immediately prior to the Mergers (or as may be increased from time to time) or a material reduction in the executive's annual target bonus opportunity as of immediately prior to the Mergers; or (z) the relocation of the executive's principal place of employment to a location more than 35 miles from the executive's principal place of employment as of the Mergers or being required to be based anywhere other than such principal place of employment, except for required travel to an extent substantially consistent with the executive's business travel obligations as of immediately prior to the Mergers.

The following table sets forth the number of shares of Colony common stock subject to the restricted stock awards held by the Colony executive officers that will vest pursuant to the restricted stock agreement upon an "involuntary termination" within the twelve-month period following the closing of the Mergers:

Previously Granted Time-Based Equity Awards	
Name	Number of Shares⁽¹⁾
Thomas J. Barrack, Jr. ⁽²⁾	138,572
Richard B. Saltzman ⁽²⁾	107,206
Mark M. Hedstrom	39,553
Ronald M. Sanders ⁽²⁾	28,730
Darren J. Tangen ⁽²⁾	42,128
Kevin P. Traenkle ⁽²⁾	43,942
Jonathan H. Grunzweig	40,030
Neale W. Redington	16,067

(1) Represents the number of the restricted shares of Colony class A common stock based on outstanding grants as of July 26, 2016.

(2) Irrespective of the Mergers, Messrs. Barrack, Saltzman, Sanders, Tangen and Traenkle are entitled to vesting of all unvested Colony equity awards upon termination of their employment without "cause" or for "good reason" pursuant to their existing employment agreements.

Other Interests

Each of Messrs. Barrack, Saltzman, Sanders, Tangen and Traenkle is a party to an existing employment agreement with Colony or one of its subsidiaries that provides for general severance benefits, including cash payments and certain other benefits, including full vesting of equity awards, if his employment is terminated by the employer without "cause" or by the executive for "good reason" (as each such term is defined in the respective employment agreement). These general severance benefits are provided without regard to the occurrence of a change of control of Colony, and no Colony executive officer is entitled to receive any special enhanced severance payments or benefits under the employment agreements upon a termination in connection with or following the Mergers. For a description of the severance provisions under the existing employment agreements with the Colony named executive officers, refer to the section entitled "Compensation Discussion & Analysis Employment Agreements" of Colony's Definitive Proxy Statement on Schedule 14A filed with the SEC on March 31, 2016.

The Colony executive officers may receive additional time-based equity awards for 2016 prior to the closing of the Mergers that are not reflected in the table above, which award amounts have not yet been determined.

In addition, as of the closing of the Mergers, the Colony NorthStar board will consist of 10 members, of whom five will be designated by NSAM and NRF and five will be designated by

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Colony. Eight of the 10 members will be independent under applicable NYSE Rules. As of November 14, 2016, Thomas J. Barrack, Jr., Nancy A. Curtin, George G. C. Parker, John A. Somers and John L. Steffens are the current Colony directors who are expected to be designated as members of the Colony NorthStar board following the closing of the Mergers.

Indemnification and Insurance

Pursuant to the terms of the merger agreement, Colony's directors and officers will be entitled to certain ongoing indemnification and coverage under directors' and officers' liability insurance policies. Refer to the section entitled "The Merger Agreement Covenants and Agreements Directors' and Officers' Insurance and Indemnification" beginning on page 298 of this joint proxy statement/prospectus for a description of such ongoing indemnification and coverage obligations.

Information for Advisory Vote on Merger-Related Compensation for the Colony Named Executive Officers

The information set forth below is intended to comply with Item 402(t) of Regulation S-K, which requires disclosure of information about certain compensation for each of the Colony named executive officers, that is based on or otherwise relates to the transactions contemplated under the merger agreement. Please note that the amounts indicated below are estimates based on the material assumptions described in the notes to the table below, which may or may not actually occur. Some of these assumptions are based on information currently available and, as a result, the actual amounts, if any, that may become payable to the Colony executive officers may differ in material respects from the amounts set forth below. Furthermore, for purposes of calculating such amounts, we have assumed a closing date for the Mergers of January 4, 2017 and a termination of each executive officer's employment on January 4, 2017 immediately following the closing of the Mergers.

Name	Golden Parachute Compensation	
	Equity ⁽¹⁾⁽²⁾	Total
Thomas J. Barrack, Jr. ⁽³⁾	\$ 2,423,624.28	\$ 2,423,624.28
Richard B. Saltzman ⁽³⁾	1,875,032.94	1,875,032.94
Darren J. Tangen ⁽³⁾	736,818.72	736,818.72
Kevin P. Traenkle ⁽³⁾	768,545.58	768,545.58
Mark M. Hedstrom	691,781.97	691,781.97

- (1) Assumes a price per share of Colony class A common stock of \$17.49, which equals the average closing price over the first five trading days following June 3, 2016.
- (2) Represents the aggregate value of all restricted stock awards held by each of the Colony named executive officers that would accelerate on a "double-trigger" basis in connection with an "involuntary termination" within twelve months following the closing of the Mergers.
- (3) Irrespective of the Mergers, Messrs. Barrack, Saltzman, Tangen and Traenkle are entitled to vesting of all unvested Colony equity awards upon termination of their employment without "cause" or for "good reason" pursuant to their existing employment agreements.

Interests of NRF's Directors and Executive Officers in the Mergers

In considering the recommendation of the NRF special committee and the NRF board with respect to the proposed Mergers, you should be aware that directors and executive officers of NRF may have certain interests in the Mergers that may be different from, or in addition to, the interests of NRF's stockholders generally. The NRF special committee and the NRF board were aware of and considered these interests, among other matters, in evaluating and, in the case of the NRF special committee, negotiating the merger agreement and Mergers, and in recommending that the merger

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agreement be adopted by the stockholders of NRF. For information with respect to the interests of Messrs. Hamamoto, Tylis, Gilbert and Lieberman and Ms. Hess, refer to the information included above in the section entitled "The Mergers Interests of NSAM's Directors and Executive Officers in the Mergers." The interests of the additional NRF executive officer (Jonathan A. Langer) and the NRF directors are described below.

Employment Agreement with Mr. Langer

Jonathan A. Langer, Chief Executive Officer of NRF, is party to an existing employment agreement with NSAM pursuant to which Mr. Langer provides services to NSAM and NRF and will be entitled to receive the following payments and benefits if his employment is terminated by Colony NorthStar without "cause" or by Mr. Langer for "good reason" within 12 months after the closing of the Mergers:

cash severance in an amount equal to 1.5 times (which amount is 0.5 times greater than the amount payable in connection with a termination that does not occur in connection with a change of control) the sum of his: (i) base salary at the rate in effect on the date of termination; (ii) average annual bonuses (including annual cash bonuses and annual bonuses paid in stock of NSAM or other securities of NSAM, NRF or any other entity managed by NSAM) earned for the three years (or such fewer number of years from and after 2015) that ended prior to the date of termination (with Mr. Langer's annual cash bonus annualized for purposes of such calculation); and (iii) if the equity award that Mr. Langer received upon entering into the employment agreement (which will fully vest upon the closing of the Mergers) has not fully vested as of the date of termination, an amount equal to \$1,000,000;

a pro-rated bonus for the year of termination based on Mr. Langer's target annual cash bonus in the year of termination (or annual bonus for the prior year if a target has not been determined for such year);

continuation of health benefits until the earlier of the one-year anniversary of the date of termination and the date on which Mr. Langer receives similar health benefits from another person; and

full vesting of all equity awards granted by NSAM or any affiliate of NSAM, except to the extent otherwise provided in a particular equity award.

As a result, to the extent Mr. Langer's employment is terminated by Colony NorthStar without "cause" or by Mr. Langer for "good reason" within 12 months following the closing of the Mergers, Mr. Langer will be entitled to receive these payments or benefits. Under the employment agreement, "good reason" will exist if, among other things, Mr. Langer is assigned duties inconsistent with his title, position, status, reporting relationships, authority, duties or responsibilities as contemplated by his employment agreement (including, without limitation, if Mr. Langer is not an Executive Vice President of Colony NorthStar) or any other action by Colony NorthStar which results in a diminution in Mr. Langer's title, position, status, reporting relationships, authority, duties or responsibilities, other than insubstantial or inadvertent actions not taken in bad faith which are remedied promptly after receipt of notice thereof given by Mr. Langer.

Acceleration of Time-Based Equity Awards

All of the unvested NSAM, NRF and NRE equity awards that were granted to NRF's directors and executive officers prior to the signing of the merger agreement that are scheduled to vest based solely on continued employment or service will be, in accordance with their terms, 100% vested upon the closing of the Mergers. The following sets forth the number of shares, LTIP units and

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common units subject to these equity awards held by NRF's non-management directors (including NRF non-management directors who are also non-employee directors of NSAM) and Mr. Langer that will become fully vested upon the closing of the Mergers:

Previously Granted Time-Based Equity Awards

Name	NSAM	NRF	NRE
Judith A. Hannaway	2,084		11,686
Wesley D. Minami	2,084		11,686
Louis J. Paglia	2,084		
Gregory Z. Rush		10,995	
Charles W. Schoenherr		2,380	11,686
Jonathan A. Langer	102,592	69,242	15,625

For information regarding time-based equity awards held by Messrs. Hamamoto, Tyllis, Gilbert and Lieberman and Ms. Hess, refer to the information included above in the section entitled "The Mergers Interests of NSAM's Directors and Executive Officers in the Mergers Acceleration of Time-Based Equity Awards."

Other Interests

In addition, as of the closing of the Mergers, the Colony NorthStar board will consist of 10 members, of whom five will be designated by NSAM and NRF and five will be designated by Colony. Eight of the 10 members will be independent under applicable NYSE Rules. As of November 14, 2016, David T. Hamamoto is the only current NRF director who has been identified as a member of the Colony NorthStar board of directors following the closing of the Mergers, although NSAM and NRF intend to designate two existing independent directors of NSAM or NRF to be directors of Colony NorthStar. Mr. Langer may also receive additional time-based equity awards for 2016 prior to the closing of the Mergers that are not reflected in the table above, which award amounts have not yet been determined.

Indemnification and Insurance

Pursuant to the terms of the merger agreement, NRF's directors and executive officers will be entitled to certain ongoing indemnification and coverage under directors' and officers' liability insurance policies. Refer to the section entitled "The Merger Agreement Covenants and Agreements Directors' and Officers' Insurance and Indemnification" beginning on page 298 of this joint proxy statement/prospectus for a description of such ongoing indemnification and coverage obligations.

Information for Advisory Vote on Merger-Related Compensation for the NSAM and NRF Named Executive Officers

The information set forth in the table below is intended to comply with Item 402(t) of Regulation S-K, which requires disclosure of information about certain compensation for each of the NSAM and NRF named executive officers, that is based on or otherwise relates to the transactions contemplated under the merger agreement. For purposes of this disclosure, the group of officers who comprise the NSAM named executive officers are the same as those who constitute the NSAM executive officers and the group of officers who comprise the NRF named executive officers are the same as those who constitute the NRF executive officers. Please note that the amounts indicated below are estimates based on the material assumptions described in the notes to the table below, which may or may not actually occur. Some of these assumptions are based on information currently available and, as a result, the actual amounts, if any, that may become payable to the NSAM and NRF named executive officers may differ in material respects from the amounts set forth below. Furthermore, for purposes of calculating such amounts, we have assumed a closing date for the Mergers of January 4, 2017.

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Name	Golden Parachute Compensation		Perquisites/ Benefits ⁽⁴⁾	Total ⁽⁵⁾
	Cash ⁽¹⁾	Equity ⁽²⁾⁽³⁾		
David T. Hamamoto (NSAM & NRF)	\$	\$ 77,031,823	\$	\$ 77,031,823
Albert Tylis (NSAM & NRF)		47,590,490		47,590,490
Daniel R. Gilbert (NSAM & NRF)		41,361,070		41,361,070
Debra A. Hess (NSAM & NRF)		16,557,724		16,557,724
Ronald J. Lieberman (NSAM & NRF)		10,575,050		10,575,050
Jonathan A. Langer (NRF)	6,770,286	2,364,465	38,940	9,173,691

- (1) All of the NSAM named executive officers have agreed to forego all cash severance that they would have been entitled to receive in connection with a termination of their employment following the Mergers. For Mr. Langer, represents the amount of cash severance payable in a lump sum that he would be entitled to receive pursuant to his existing employment agreement with NSAM if his employment is terminated by Colony NorthStar without "cause" or by Mr. Langer for "good reason" within 12 months after the closing of the Mergers, subject to his execution and non-revocation of a general release of claims. Such cash severance is payable in a lump sum and is equal to: (i) the estimated annual cash bonus that Mr. Langer would have earned for the year of termination, pro-rated through the date of termination, assuming a target bonus of \$1,250,000; plus, (ii) 1.5 times the sum of (A) his current base salary (\$500,000), (B) the average of the annual bonuses (including to the extent paid by NRF, NSAM, any entity managed by NSAM or any of their subsidiaries, but excluding annual bonuses paid in LTIP units or other securities that are earned based on multi-year performance criteria) earned for the three years (or shorter period of employment) prior to the date of termination (\$3,004,392), and (C) an amount equal to one-quarter of the value of the equity grant made to Mr. Langer upon the commencement of his employment (\$1,000,000). For purposes of calculating the average annual bonus, the value of such bonus relates only to the 2015 and 2016 calendar years and includes (x) the value of Mr. Langer's annual cash bonus as annualized for 2015, due to the commencement of his employment in August 2015, and as estimated for 2016 based on projections by NSAM and NRF and (y) the grant date fair value of annual time-based equity awards granted to Mr. Langer relating to 2015, as annualized, and the assumed value of time-based equity awards to be granted to Mr. Langer relating to 2016, as estimated based on projections by NSAM and NRF. Refer above to the section entitled " Employment Agreement with Mr. Langer" for additional information.
- (2) Assumes a price per share of NSAM common stock of \$12.23, NRF common stock of \$13.50 and NRE common stock of \$11.23, which, in each case, equals the average closing price over the first five trading days following June 3, 2016. Assumes that LTIP units and common units in the operating partnerships of NSAM, NRF and NRE have the same value as shares of NSAM, NRF and NRE common stock, respectively.
- (3) Represents: (i) the aggregate value of all awards of NSAM, NRF and NRE time-based equity held by each of the NSAM and NRF named executive officers that would accelerate on a "single-trigger" basis upon the closing of the Mergers; (ii) the aggregate value of all awards of NSAM, NRF and NRE performance-based equity held by each of the NSAM and NRF named executive officers that would accelerate on a "single-trigger" basis upon the closing of the Mergers; and (iii) the value of the replacement equity awards to be granted to the NSAM named executive officers in the form of restricted stock units or restricted shares of Colony NorthStar as soon as practicable following the closing of the Mergers, which would accelerate on a "double-trigger"

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basis in connection with a qualifying termination following the closing of the Mergers, in each case calculated as follows:

(a)

The aggregate value of equity awards subject to time-based vesting held by each of the NSAM and NRF named executive officers that would accelerate on a "single-trigger" basis includes unvested LTIP units or common units in the operating partnerships of NSAM, NRF and NRE equity awards related to the common stock of NSAM, NRF and NRE that are scheduled to vest based solely on continued employment and either had been granted prior to the signing of the merger agreement or are to be granted to the NSAM named executive officers for 2016 pursuant to the NSAM Executive Incentive Bonus Plan. The number of shares of NRE common stock to be granted to the NSAM named executive officers for 2016 pursuant to the NSAM Executive Incentive Bonus Plan has been calculated assuming a long-term bonus pool equal to 1.25 times the amount of the cash bonus pool, as established in the letter agreements and a 20-day trailing average closing stock price of the NRE common stock equal to \$11.10 per share, which was the closing price of the NRE common stock on May 27, 2016. Assumes the portion of Mr. Langer's annual bonus for 2016 that is granted in time-based equity awards is fully vested upon grant and does not include any amounts related thereto. The following table quantifies the value, based on the assumptions described above, of such time-based equity awards held by the NSAM and NRF named executive officers that will be accelerated pursuant to the Mergers:

Name	Time-Based Equity Awards				Total
	NSAM	NRF	NRE		
David T. Hamamoto	\$ 10,478,134	\$ 5,205,668	\$ 3,308,729	\$	18,992,531
Albert Tylis	7,058,461	3,526,916	2,454,004		13,039,381
Daniel R. Gilbert	6,935,260	3,431,660	2,096,332		12,463,252
Debra A. Hess	1,947,932	941,855	639,568		3,529,355
Ronald J. Lieberman	1,244,032	591,341	464,408		2,299,781
Jonathan A. Langer	1,254,290	934,772	175,403		2,364,465

(b)

The aggregate value of equity awards subject to performance-based vesting held by each of the NSAM and NRF named executive officers that would accelerate on a "single-trigger" basis includes: (i) a portion of the shares of NSAM performance common stock and restricted stock units of NSAM, NRF and NRE that were subject to vesting based on total stockholder return of the stockholders of NSAM, NRF and/or NRE over a specified performance period that were granted prior to the signing of the merger agreement or are to be granted to the NSAM named executive officers for 2016 pursuant to the NSAM Executive Incentive Bonus Plan; and (ii) the amount of accumulated dividends that would become payable with respect to such shares or restricted stock units assuming quarterly dividends through the end of 2016 in the same amounts as the quarterly dividend paid most recently prior to the signing of the merger agreement and assuming that NSAM pays the NSAM special dividend prior to the closing of the Mergers in the aggregate amount of \$228 million divided by the number of shares of NSAM common stock estimated to be outstanding as of such date. Mr. Langer does not hold any performance-based equity awards; accordingly, the narrative and figures provided below relate only to the NSAM named executive officers.

Pursuant to the letter agreements, each of the NSAM named executive officers agreed to fix the number of shares that would be earned upon the closing of the Mergers pursuant to these performance-based equity awards based on the amounts that would have been earned based on pre-signing stock prices and an assumed closing date in January 2017. In addition, Messrs. Hamamoto, Tylis and Gilbert each agreed to forfeit a majority of these performance-based equity awards that each was projected to earn upon the closing of the Mergers based on information available prior to the signing of the merger agreement. For additional information

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with respect to the treatment of performance-based equity awards under the letter agreements, refer above to the section entitled " Vesting/Forfeiture of Performance-Based Equity Awards Messrs. Hamamoto, Tylis and Gilbert Agree to Forfeit Majority of Shares Projected to be Earned." The following table quantifies the value of the forfeited portions of each of the NSAM named executive officers' performance-based equity awards (including shares that the Messrs. Hamamoto, Tylis and Gilbert were projected to earn but voluntarily agreed to forfeit and shares that the NSAM named executive officers were not projected to earn) and the value of accumulated dividends relating to the forfeited portions of such awards that will no longer become payable, based on the assumptions described above:

Forfeited Performance-Based Equity Awards

Name	NSAM	NRF	NRE	Accumulated Dividends	Total
David T. Hamamoto	\$ 19,643,761	\$ 6,032,737	\$ 1,831,499	\$ 4,593,548	\$ 32,101,545
Albert Tylis	13,223,238	4,120,308	1,253,843	3,092,023	21,689,412
Daniel R. Gilbert	13,008,327	3,954,128	1,198,465	3,041,981	21,202,901
Debra A. Hess	1,594,534	769,550	237,482	420,965	3,022,531
Ronald J. Lieberman	1,037,736	495,579	153,302	271,008	1,957,625

With respect to the portion of performance-based equity awards that will accelerate on a "single-trigger" basis upon the closing of the Mergers, the following table quantifies the value of such performance-based equity awards held by the NSAM named executive officers, plus the value of accumulated dividends, based on the assumptions described above and reflecting adjustments pursuant to the letter agreements:

Accelerated Performance-Based Equity Awards

Name	NSAM	NRF	NRE	Accumulated Dividends	Total
David T. Hamamoto	\$ 10,702,078	\$ 1,727,420	\$ 502,218	\$ 2,238,486	\$ 15,170,202
Albert Tylis	7,153,384	1,166,049	339,598	1,496,670	10,155,701
Daniel R. Gilbert	7,121,877	1,141,709	331,493	1,489,337	10,084,416
Debra A. Hess	4,283,122	646,272	187,687	883,192	6,000,273
Ronald J. Lieberman	2,793,947	389,016	113,472	563,770	3,860,205

(c)

The following table quantifies the value of the replacement equity awards, assuming the closing of the Mergers occurred on January 4, 2017:

Name	Replacement Equity Awards
David T. Hamamoto	\$ 42,869,092
Albert Tylis	24,395,409
Daniel R. Gilbert	18,813,404
Debra A. Hess	7,028,096
Ronald J. Lieberman	4,415,064

The replacement equity awards will be subject to vesting based on continued employment with Colony NorthStar through the first anniversary of the closing of the Mergers, provided that if the named executive officer's employment is terminated prior to the vesting date (including a termination prior to the grant of the replacement equity awards) without "cause" or for "good reason" or as a result of death or "disability" (as each such term is defined in the respective named executive officer's employment agreement), then the replacement equity awards will immediately vest in full. The tables above assume that the number of shares of Colony North Star common stock subject to the replacement equity awards equal the amounts set forth in the letter agreements divided by \$15.00 per share, which is the maximum number of shares that will be subject to such awards. For additional information with respect to the

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replacement equity awards, refer above to the section entitled "Interests of NSAM's Directors and Executive Officers in the Mergers The NSAM Executive Officers Forego All Cash Severance and 2017 Post-Merger Compensation and Receive Replacement Equity Awards with Significantly Reduced Value."

- (4) Pursuant to Mr. Langer's existing employment agreement with NSAM, if Mr. Langer's employment is terminated by Colony NorthStar without "cause" or by Mr. Langer for "good reason" within 12 months after the closing of the Mergers, then, subject to his execution and non-revocation of a general release of claims, he is entitled to receive health benefits until the earlier of: (i) the one-year anniversary of the date of termination; and (ii) the date upon which he receives similar health benefits from another company or other provider. This figure presented in this column quantifies the value of the health care coverage that Mr. Langer would become entitled to receive based on the current amount of health insurance premiums, increased by 10%.
- (5) The respective employment agreement for each of the NSAM and NRF named executive officers includes a modified cutback provision, such that if any severance payments or benefits would constitute a "parachute payment" and would be subject to the excise tax imposed by Section 4999 of the Code, the aggregate benefits will either be delivered in full or delivered in a lesser amount that would result in no portion of the aggregate benefits being subject to the excise tax, whichever results in the receipt by the named executive officer of the greatest amount of aggregate benefits on an after-tax basis. For purposes of this disclosure and the table set forth above, it has been assumed that the payments and benefits will not be reduced pursuant to the preceding sentence and, accordingly, include the full value of such payments and benefits.

Regulatory Approvals in Connection with the Mergers

Completion of the Mergers is subject to the receipt of certain required regulatory approvals, including those of the Financial Industry Regulatory Authority, the U.K. Financial Conduct Authority and the French Autorité des Marchés Financiers, required as a result of actual or deemed "changes in control" of certain regulated entities of the parties, or a confirmation that no such approval will be required.

NSAM, Colony and NRF are currently working to evaluate and comply in all material respects with these requirements, as appropriate, and do not currently anticipate that they will hinder, delay or restrict completion of the Mergers. It is possible, however, that one or more of the regulatory approvals required to complete the Mergers will not be obtained on a timely basis or at all. In addition, it is possible that any of the governmental entities with which filings are made may seek regulatory concessions as conditions for granting approval of the Mergers. Under the merger agreement, NSAM, Colony and NRF have each agreed to use its reasonable best efforts to take all actions necessary, proper or desirable to complete the Mergers and related transactions contemplated by the merger agreement.

On October 7, 2016, the U.K. Financial Conduct Authority issued an approval of the "change in control" of certain U.K. regulated entities. None of NSAM, Colony or NRF can give any assurance as to when or if any other regulatory approvals will be obtained, or the conditions upon which they may be obtained.

Accounting Treatment of the Mergers

The Mergers will be accounted for as an integrated business combination transaction by Colony in accordance with Accounting Standards Codification Topic 805, Business Combinations. In applying the acquisition method specified by this guidance, it is necessary to identify an accounting

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acquirer which, in a transaction in which consideration consists solely of shares, is generally the entity that issues the shares. Other factors to consider, however, in identifying an accounting acquirer include, but are not limited to, the relative size of the merging companies, the relative voting interests of the respective stockholders, the composition of senior management, the composition of the board of directors, the existence of a large minority voting interest and the terms of the exchange of equity interests.

After consideration of these factors, this transaction is considered a reverse acquisition with Colony being identified as the accounting acquirer. In reaching this conclusion, greater emphasis was placed on the composition of senior management which is predominantly comprised of Colony's management team. As the Mergers are accounted for as a reverse acquisition, the fair value of the consideration transferred is measured based upon (a) the number of shares of common stock Colony, as the accounting acquirer, would theoretically have to issue to the stockholders of NSAM and NRF to achieve the same ratio of ownership in Colony NorthStar upon completion of the Mergers; and (b) applying the Colony class A common stock price. Accordingly, the assets (including identifiable intangible assets) and liabilities (including executory contracts and other commitments) of NSAM and NRF will be recorded at their respective fair value at the date of the Mergers. Based on current estimates, the fair value of such assets and liabilities for both NSAM and NRF are lower than the consideration based upon the current market price of Colony common stock and NRF preferred stock (which excludes the excess cash related to pre-merger activities to be distributed to the NSAM stockholders in the form of the NSAM special dividend) thereby resulting in estimated goodwill. The estimated fair value of the assets acquired, liabilities assumed and consideration transferred may change significantly until such time that the Mergers close. Consolidated financial statements of the combined company issued after the Mergers will reflect these fair value adjustments and the consolidated results of operations subsequent to the date of the Mergers. Because Colony has been determined to be the accounting acquirer, its historical financial statements will become the historical financial statements of the combined company upon consummation of the Mergers. Refer to the section entitled "Colony NorthStar Unaudited Pro Forma Condensed Consolidated Financial Statements" beginning on page 312 of this joint proxy statement/prospectus.

Listing of Colony NorthStar Stock

Class A Common Stock

Colony NorthStar common stock is currently not traded or quoted on a stock exchange or quotation system. Following the Mergers, Colony NorthStar class A common stock is expected to be listed for trading on the NYSE. Colony NorthStar class A common stock will be listed under the symbol "CLNS."

Preferred Stock

Colony NorthStar preferred stock is currently not traded or quoted on a stock exchange or quotation system. Following the Mergers, Colony NorthStar preferred stock is expected to be listed for trading on the NYSE. It is anticipated that: Colony NorthStar series A preferred stock will be listed under the symbol "CLNS-A"; Colony NorthStar series B preferred stock will be listed under the symbol "CLNS-B"; Colony NorthStar series C preferred stock will be listed under the symbol "CLNS-C"; Colony NorthStar series D preferred stock will be listed under the symbol "CLNS-D"; Colony NorthStar series E preferred stock will be listed under the symbol "CLNS-E"; Colony NorthStar series F preferred stock will be listed under the symbol "CLNS-F"; Colony NorthStar series G preferred stock will be listed under the symbol "CLNS-G"; and Colony NorthStar series H preferred stock will be listed under the symbol "CLNS-H."

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Deregistration and Delisting of NSAM, Colony and NRF Common Stock and Colony and NRF Preferred Stock

Following the closing of the Mergers, NSAM common stock, Colony class A common stock, Colony preferred stock, NRF common stock and NRF preferred stock will be deregistered under the Exchange Act and delisted from the NYSE. NSAM, Colony and NRF will no longer be required to file periodic reports with the SEC.

Restrictions on Sales of Shares of Colony NorthStar Common Stock Received in the Mergers

Following the effectiveness of the registration statement on Form S-4, of which this joint proxy statement/prospectus forms a part, shares of Colony NorthStar common stock issued in the Mergers will not be subject to any restriction on transfer arising under the Securities Act or the Exchange Act, except for shares of Colony NorthStar common stock issued to any Colony NorthStar stockholder who may be deemed an "affiliate" of Colony NorthStar for the purposes of Rule 144 of the Securities Act after the completion of the Mergers. Persons who may be deemed "affiliates" of the combined company generally include individuals or entities that control, are controlled by or are under common control with, the combined company and may include the directors and executive officers of the combined company as well as its principal stockholders.

This joint proxy statement/prospectus does not cover resales of Colony NorthStar common stock received by any person upon the completion of the Mergers, and no person is authorized to make any use of this joint proxy statement/prospectus in connection with any resale of Colony NorthStar common stock.

Litigation Relating to the Mergers

On September 29, 2016, a purported stockholder of Colony filed an action relating to the Mergers on behalf of a putative class of Colony stockholders in the United States District Court of the District of Maryland, captioned *Carter v. Colony Capital, Inc., et al.* The *Carter* action names as defendants Colony and the members of the Colony board, alleging claims under Sections 14(a) and 20(a) of the Exchange Act. The complaint also alleges that the initial joint proxy statement/prospectus and the first amendment thereto filed in respect of the Mergers omit or misstate various facts concerning the financial projections for Colony, NSAM and NRF and the financial analyses performed by Colony's financial advisor. The complaint purports to seek, among other things, injunctive relief, money damages and attorney's and expert fees and expenses.

Other potential plaintiffs may also file additional lawsuits challenging the Mergers. The outcome of the *Carter* action and any additional future litigation is uncertain. Such litigation, if not resolved, could prevent or delay completion of the Mergers and result in substantial costs to NSAM, Colony and NRF, including any costs associated with the indemnification of directors and officers. One of the conditions to the closing of the Mergers is the absence of any law, injunction or order by any governmental authority preventing, enjoining, prohibiting or making illegal the consummation of the Mergers. Therefore, if a plaintiff were successful in obtaining an injunction prohibiting the consummation of the Mergers on the agreed-upon terms, then such injunction may prevent the Mergers from being completed, or from being completed within the expected timeframe. The defense or settlement of any lawsuit or claim that remains unresolved at the time the Mergers are completed may adversely affect Colony NorthStar's business, financial condition, results of operations and cash flows.

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U.S. FEDERAL INCOME TAX CONSEQUENCES

U.S. Federal Income Tax Consequences of the Mergers

The following is a general summary of U.S. federal income tax consequences of the Redomestication merger, the New NRF Holdco merger together with the LLC conversion, the NRF merger and the Colony merger to U.S. holders and non-U.S. holders (each as defined below) of NSAM common stock, Colony common stock and NRF common stock, as applicable.

This discussion does not address any tax consequences arising under the laws of any state, local or foreign jurisdiction, or under any U.S. laws other than those pertaining to regular U.S. federal income tax, nor does it address tax consequences arising under the federal alternative minimum tax or the unearned income Medicare contribution tax pursuant to the Health Care and Education Reconciliation Act of 2010. This discussion addresses only those stockholders that hold their shares as capital assets under the Code (generally, property held for investment). Further, this discussion does not address all aspects of U.S. federal income taxation that may be relevant to you in light of your particular circumstances or that may be applicable to you if you are subject to special treatment under U.S. federal income tax laws, including if you are a financial institution; a tax-exempt organization; an S corporation or other pass-through entity (or an investor in an S corporation or other pass-through entity); an insurance company; a mutual fund; a REIT; a dealer or broker in stocks, securities or currencies; a trader in securities that elects mark-to-market treatment; a holder of stock received through the exercise of an employee stock option, through a tax-qualified retirement plan or otherwise as compensation; a U.S. person that has a functional currency other than the U.S. dollar; a person that holds its stock as part of a hedge, straddle, constructive sale, conversion or other integrated transaction; a U.S. expatriate; a holder of NRF or Colony preferred stock; a holder who actually or constructively owns more than 10% of NSAM, Colony or NRF, as applicable; or except as expressly set forth below, a person that is not a U.S. holder.

This discussion is based upon the Code, the Treasury regulations promulgated under the Code and court and administrative rulings, decisions and interpretations, all as in effect on the date of this joint proxy statement/prospectus. These authorities may change, possibly retroactively, and any change could affect the accuracy of the statements and conclusions set forth in this discussion.

This discussion generally assumes that each of Colony and NRF (including New NRF Parent) has qualified and will qualify as a REIT for each of the taxable years covered by the REIT opinions described in "The Merger Agreement Conditions to Completion of the Mergers" beginning on page 288 of this joint proxy statement/prospectus and that Colony NorthStar will qualify as a REIT for its taxable years commencing January 1, 2017. Refer below to the section entitled " Tax Opinions Regarding REIT Qualification of Colony NorthStar, Colony and NRF; Tax Liabilities and Attributes Inherited from Colony and NRF."

Except as otherwise indicated, for purposes of this discussion, references to NSAM include Colony NorthStar as its successor; references to Colony NorthStar include NSAM as its predecessor; references to NRF include New NRF Parent as its successor; and references to New NRF Parent include NRF as its predecessor.

For purposes of this discussion, "U.S. holder" means a beneficial owner of NSAM common stock, Colony common stock or NRF common stock, as applicable, that is for U.S. federal income tax purposes: (i) an individual citizen or resident of the United States; (ii) a corporation, or entity treated as a corporation, organized in or under the laws of the United States or any state thereof or the District of Columbia; (iii) a trust if (A) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust or (B) such trust has made a valid election to be treated as

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a U.S. person for U.S. federal income tax purposes; or (iv) an estate, the income of which is includible in gross income for U.S. federal income tax purposes regardless of its source. A "non-U.S. holder" means any beneficial owner of common stock of Colony, NRF, or NSAM or preferred stock of Colony or NRF, as applicable, other than a partnership or a U.S. holder.

The U.S. federal income tax consequences to a partner in an entity or arrangement that is treated as a partnership for U.S. federal income tax purposes generally will depend on the status of the partner and the activities of the partnership. Stockholders that are partnerships and partners in such a partnership should consult with their tax advisors.

The actual tax consequences to you of the Mergers may be complex. They will depend on your specific situation and on factors that are not within the control of NSAM, Colony or NRF. You should consult with your tax advisor as to the tax consequences of the Mergers in your particular circumstances, including the applicability and effect of the alternative minimum tax and any state, local, foreign or other tax laws and of possible changes in those laws.

Tax Consequences of the Mergers Generally

The parties intend for each of (i) the Redomestication merger and (ii) the New NRF Holdco merger together with the LLC conversion to qualify as a reorganization under Section 368(a)(1)(F) of the Code, and for each of the NRF merger and the Colony merger to qualify as a reorganization under Section 368(a) of the Code. It is a condition to the closing of the Mergers that:

- (i) Skadden deliver to NSAM an opinion, dated as of the closing date, that the Redomestication merger will qualify as a reorganization under Section 368(a)(1)(F) of the Code and that each of the NRF merger and the Colony merger will qualify as a reorganization under Section 368(a) of the Code;
- (ii) Vinson & Elkins deliver to NRF an opinion, dated as of the closing date, that the New NRF Holdco merger together with the LLC conversion will qualify as a reorganization under Section 368(a)(1)(F) of the Code and that each of the NRF merger and the Colony merger will qualify as a reorganization under Section 368(a) of the Code; and
- (iii) Hogan Lovells deliver to Colony an opinion, dated as of the closing date, that each of the NRF merger and the Colony merger will qualify as a reorganization under Section 368(a) of the Code.

Pursuant to the merger agreement, the opinions described above may be delivered by other counsel reasonably acceptable to the parties.

In connection with the filing of this joint proxy statement/prospectus, Skadden, Vinson & Elkins and Hogan Lovells have delivered opinions with respect to the foregoing matters. These opinions and the opinions required to be delivered at closing of the Mergers are and will be based on representation letters provided by NSAM, Colony and NRF, as applicable, and on customary assumptions, including the assumption that the Mergers will be completed in the manner described in the merger agreement and this joint proxy statement/prospectus. None of the opinions described above will be binding on the IRS. The parties have not sought and will not seek any ruling from the IRS regarding any matters relating to the Mergers, and, as a result, there can be no assurance that the IRS will not assert, or that a court would not sustain, a position contrary to any of the conclusions set forth below. If the Redomestication merger, the New NRF Holdco merger together with the LLC conversion, the NRF merger or the Colony merger were not to qualify as a reorganization under the Code, the tax consequences could materially and adversely differ from those described in this joint proxy statement/prospectus. On the basis of the opinions expected to be received at the closing of the

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Mergers, and subject to the remainder of this discussion, the U.S. federal income tax consequences of the Redomestication merger, the New NRF Holdco merger, the LLC conversion, the NRF merger and the Colony merger will be as follows:

Redomestication Merger and New NRF Holdco Merger. Upon exchanging your shares of NSAM or NRF for stock of Colony NorthStar or New NRF Parent, as applicable, in the Redomestication merger or the New NRF Holdco merger, you generally will not recognize gain or loss. The aggregate tax basis in the applicable shares you receive will equal your aggregate adjusted tax basis in the applicable shares that you surrender, and your holding period for the applicable shares that you receive will include your holding period for the applicable shares that you surrender.

NRF Merger and Colony Merger. Upon exchanging your shares of Colony or New NRF Parent for shares of Colony NorthStar in the NRF merger or the Colony merger, as applicable, you generally will not recognize gain or loss, except with respect to cash received in lieu of fractional shares in connection with the Mergers. The aggregate tax basis in the applicable shares you receive, including any fractional shares of Colony NorthStar deemed received and redeemed as described below, will equal your aggregate adjusted tax basis in the applicable shares that you surrender. Your holding period for the applicable shares that you receive, including any fractional shares of Colony NorthStar deemed received and redeemed as described below, will include your holding period for the applicable shares that you surrender.

Consequences to the Companies. None of NSAM, Colony NorthStar, Colony, NRF or New NRF Parent will recognize any gain or loss solely as a result of the Redomestication merger, the New NRF Holdco merger together with the LLC conversion, the NRF merger or the Colony merger.

Cash in Lieu of Fractional Shares

If you receive cash in lieu of a fractional share of Colony NorthStar stock in the NRF merger or the Colony merger, you will be treated as having received the fractional share of Colony NorthStar stock pursuant to the NRF merger or the Colony merger, as applicable, and then as having received the cash in redemption of that fractional share. As a result, you generally should recognize gain or loss equal to the difference between the amount of cash received and the basis allocable to your fractional share of Colony NorthStar stock as set forth above. Any gain or loss recognized on your receipt of cash in lieu of fractional shares generally will be capital gain or loss, and will be long-term capital gain or loss if, as of the effective date of the NRF merger or the Colony merger, as applicable, the holding period for the shares (including the holding period of Colony or New NRF Parent stock surrendered therefor) exceeds one year. The deductibility of capital losses is subject to limitations.

Colony and NRF Special Dividends

Under the merger agreement, each of Colony and NRF may make cash distributions to its common stockholders immediately prior to or concurrent with the closing of the Mergers that it will treat as a dividend for U.S. federal income tax purposes to the extent of its current or accumulated earnings and profits. The proper U.S. federal income tax treatment of such a distribution, however, is not entirely clear under current law, and counsel is not rendering an opinion regarding such treatment. It is possible that the IRS could treat these distributions as part of the merger consideration paid by Colony NorthStar to Colony and NRF stockholders. Under this alternative characterization, a Colony or NRF stockholder receiving such a distribution could be treated as recognizing capital gain in the NRF merger or the Colony merger, as applicable, equal to the lesser of: (i) the amount of cash received in such distribution; and (ii) the amount, if any, by which the sum of such cash plus the fair market value of the Colony NorthStar stock received in the merger exceeded such stockholder's tax basis in the shares of Colony or New NRF Parent common stock surrendered in exchange therefor (rather than ordinary income to the extent of the current or accumulated earnings and profits of

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Colony or NRF, as applicable). Colony and NRF stockholders should consult with their tax advisors regarding the treatment of such distributions.

Special Rules for Non-U.S. Holders

Special rules may apply to non-U.S. holders under the Foreign Investment in Real Property Tax Act of 1980, which we refer to as FIRPTA. Under FIRPTA, subject to certain exceptions described below, a non-U.S. holder may need to comply with certain reporting and other requirements under FIRPTA in order not to be subject to tax as a result of the surrender of shares in the Mergers, and no assurance can be given that a non-U.S. holder will be able to satisfy such requirements if they applied.

These additional requirements under FIRPTA generally will not apply if the entity whose shares are surrendered is a "domestically controlled qualified investment entity" within the meaning of the Code. Although each of Colony, NRF, and NSAM expects to be (or, as applicable, expects its successor to be) a "domestically controlled qualified investment entity" at the time of closing, no assurance can be given in this regard. Even if any such entity is not a "domestically controlled qualified investment entity," the additional FIRPTA requirements will not apply if (i) the class of surrendered shares is treated as "regularly traded" on an established securities market at the time of closing and (ii) the non-U.S. holder has not, at any time during the five year period preceding the exchange, owned (actually or constructively) in excess of 10% of that class. Although each of Colony, NRF, and NSAM expects that its (or, as applicable, its successor's) common stock or preferred stock, as applicable, should be treated as "regularly traded" at the time of closing, no assurance can be given in that regard. Non-U.S. holders should consult with their own tax advisors regarding the consequences to them of participating in the Mergers.

Backup Withholding

If you are a non-corporate holder, you may be subject to information reporting and backup withholding (currently at a rate of 28%) on any cash payments you receive.

You generally will not be subject to backup withholding, however, if you:

furnish a correct taxpayer identification number and certify that you are not subject to backup withholding on a Form W-9 or successor form included in the letter of transmittal you will receive and otherwise comply with all the applicable requirements of the backup withholding rules; or

provide proof that you are otherwise exempt from backup withholding.

Any amounts withheld under the backup withholding rules generally will be allowed as a refund or credit against your U.S. federal income tax liability, provided that you timely furnish the required information to the IRS.

Tax Opinions Regarding REIT Qualification of Colony NorthStar, Colony and NRF; Tax Liabilities and Attributes Inherited from Colony and NRF

It is a condition to the closing of the Mergers that opinions of Vinson & Elkins (with respect to NRF) and Hogan Lovell (with respect to Colony and Colony NorthStar) be delivered to the effect that, at all times since their initial taxable year through the closing, NRF and Colony have been organized and operated in conformity with the requirements for qualification and taxation as a REIT under the Code, and that Colony NorthStar will be organized and operated in conformity with the requirements for qualification and taxation as a REIT under the Code for its taxable year beginning January 1, 2017, and subsequent taxable years. As described in more detail in " U.S. Federal Income

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Taxation of Colony NorthStar and its Stockholders," these opinions will be based on customary assumptions and representations from NSAM, Colony, NRF and others, and none of these opinions will be binding on the IRS or the courts.

If either of Colony or NRF (or any of their subsidiary REITs) were to fail to qualify as a REIT for any of its taxable years, then, among other consequences, it (or such subsidiary) would be liable for (and the combined company would be directly or indirectly obligated to pay) U.S. federal income tax at regular corporate rates on its taxable income in such years. Moreover, even if Colony and NRF maintain their REIT qualification, they could be liable for other U.S. federal income or excise taxes, or other state, local or foreign taxes, and the combined company will generally succeed to the liability for any such taxes.

In addition, if either of Colony or NRF failed to qualify as a REIT prior to the Mergers and the combined company were treated as a "successor" to Colony or NRF, as applicable, the combined company could be prohibited from making a REIT election for any taxable year prior to the fifth taxable year following the year during which Colony or NRF, as applicable, was disqualified, or, even if permitted to make a REIT election, the combined company would be subject to U.S. federal income tax if, during a period of up to 10 years following the Mergers, the combined company disposed of certain assets that were acquired from Colony or NRF in the NRF merger or the Colony merger, as applicable. In this event, the combined company would generally be subject to U.S. federal income tax at the highest regular corporate rate on the built-in-gain (*i.e.*, the excess of the asset's fair market value over its adjusted tax basis), if any, that existed, with respect to such asset at the time of the Mergers. Moreover, the combined company would also succeed to and, in order to qualify as a REIT, would be required to distribute any earnings and profits accumulated by Colony or NRF, as applicable, for taxable periods that such entity did not qualify as a REIT.

Finally, under certain rules governing reorganizations involving "investment companies," a failure of Colony NorthStar, Colony or NRF to qualify as a REIT in the taxable year of closing could prevent such entity and its stockholders from qualifying for nonrecognition treatment with respect to the NRF merger or the Colony merger, as applicable.

For a discussion of Colony NorthStar's REIT status and the application of the foregoing built-in-gains tax to the historic assets of NSAM, as well as the consequences of owning and disposing of shares of the combined company, refer to the section entitled " U.S. Federal Income Taxation of Colony NorthStar and its Stockholders."

This summary of certain U.S. federal income tax consequences of the Mergers is for general information only and is not tax advice. You should consult with your tax advisor with respect to the application of U.S. federal income tax laws to your particular situation as well as any tax consequences arising under the U.S. federal estate or gift tax rules, or under the laws of any state, local, foreign or other taxing jurisdiction.

U.S. Federal Income Taxation of Colony NorthStar and its Stockholders

This section summarizes the U.S. federal income tax considerations generally applicable to an investment in Colony NorthStar stock. Because this section is a summary, it does not address all aspects of taxation that may be relevant to particular stockholders in light of their personal investment or tax circumstances, or to certain types of stockholders that are subject to special treatment under the U.S. federal income tax laws, such as:

insurance companies;

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tax-exempt organizations (except to the extent discussed in " Taxation of Tax-Exempt Stockholders" below);

financial institutions or broker-dealers;

non-U.S. individuals and foreign corporations (except to the extent discussed in " Taxation of Non-U.S. Stockholders" below);

U.S. expatriates;

persons who mark-to-market Colony NorthStar stock;

subchapter S corporations;

U.S. stockholders, as defined below, whose functional currency is not the U.S. dollar;

regulated investment companies;

REITs;

trusts and estates;

holders who receive Colony NorthStar stock through the exercise of employee stock options or otherwise as compensation;

persons holding Colony NorthStar stock as part of a "straddle," "hedge," "conversion transaction," "synthetic security" or other integrated investment;

persons subject to the alternative minimum tax provisions of the Code;

persons holding Colony NorthStar stock through a partnership or similar pass-through entity; and

persons holding a 10% or more (by vote or value) beneficial interest in Colony NorthStar stock.

This summary assumes that stockholders hold shares of Colony NorthStar stock as capital assets for U.S. federal income tax purposes, which generally means property held for investment.

The statements in this section are based on the current U.S. federal income tax laws, are for general information purposes only and are not tax advice. Colony NorthStar cannot assure you that new laws, interpretations of law or court decisions, any of which may take effect retroactively, will not cause any statement in this section to be inaccurate.

THE U.S. FEDERAL INCOME TAX TREATMENT OF COLONY NORTHSTAR AS A REIT AND OF YOU AS A HOLDER OF COLONY NORTHSTAR STOCK DEPENDS IN SOME INSTANCES ON DETERMINATIONS OF FACT AND

INTERPRETATIONS OF COMPLEX PROVISIONS OF U.S. FEDERAL INCOME TAX LAW FOR WHICH NO CLEAR PRECEDENT OR AUTHORITY MAY BE AVAILABLE. IN ADDITION, THE TAX CONSEQUENCES TO ANY PARTICULAR HOLDER OF COLONY NORTHSTAR STOCK WILL DEPEND ON SUCH HOLDER'S PARTICULAR TAX CIRCUMSTANCES.

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YOU SHOULD CONSULT YOUR TAX ADVISOR REGARDING THE SPECIFIC TAX CONSEQUENCES TO YOU OF THE OWNERSHIP AND SALE OF COLONY NORTHSTAR STOCK AND OF ITS INTENDED ELECTION TO BE TAXED AS A REIT. SPECIFICALLY, YOU SHOULD CONSULT YOUR TAX ADVISOR REGARDING THE FEDERAL, STATE, LOCAL, FOREIGN AND OTHER TAX CONSEQUENCES OF SUCH OWNERSHIP, SALE AND ELECTION, AND REGARDING POTENTIAL CHANGES IN APPLICABLE TAX LAWS.

Taxation of Colony NorthStar

Colony NorthStar intends to elect to be taxed as a REIT under the U.S. federal income tax laws commencing with its taxable year ending December 31, 2017. Colony NorthStar believes that it will be organized and intends to operate in a manner that will allow it to qualify as a REIT commencing with such taxable year. This section discusses the laws governing the U.S. federal income tax treatment of a REIT and its stockholders. These laws are highly technical and complex.

It is a condition to the closing of the Mergers that NRF and Colony receive an opinion of Hogan Lovells or other counsel reasonably acceptable to the Companies, at the closing of the Mergers to the effect that Colony NorthStar is organized in conformity with the requirements for qualification and taxation as a REIT under the U.S. federal income tax laws and its proposed method of operation will enable it to qualify as a REIT for its taxable year ending December 31, 2017 and in the future. The parties will not waive this condition to the closing of the Mergers. This opinion will be based on customary assumptions related to Colony NorthStar's organization and operation and will be conditioned upon certain representations made by Colony NorthStar as to factual matters, including representations regarding the nature of its assets and income, the future conduct of its business and the ownership of its stock and other items regarding its ability to meet the various requirements and covenants as a REIT and assumes that such representations and covenants are accurate and complete. Given that many of these factual matters, which will be required by Hogan Lovells (or any other counsel delivering such an opinion), relate to the 2017 tax year and will be known with certainty closer to the closing of the Mergers, Hogan Lovells' opinion (or the opinion of other counsel reasonably acceptable to the Companies) will only be rendered immediately prior to the closing of the mergers. This opinion will be filed with this registration statement prior to the closing of the Mergers, by post-effective amendment. When delivered, the opinion will be based on then-existing U.S. federal income tax law governing qualification as a REIT, which is subject to change, possibly on a retroactive basis, is not binding on the IRS or any court and speaks as of the date issued. Moreover, Colony NorthStar's qualification and taxation as a REIT will depend on its ability to meet, on a continuing basis, through actual operating results, certain qualification tests in the U.S. federal income tax laws. Those qualification tests involve the percentage of its income that it earns from specified sources (which, based on the types of assets Colony NorthStar expects to own, may fluctuate rapidly, significantly and unpredictably), the percentages of its assets that fall within specified categories (which, based on the types of assets Colony NorthStar expects to own, may fluctuate rapidly, significantly and unpredictably), the diversity of stock ownership and the percentage of earnings that it distributes. Colony NorthStar intends to operate so that it will qualify as a REIT and will have made specific factual representations about its future performance to Hogan Lovells or other counsel reasonably acceptable to the Companies. Given the highly complex nature of the rules governing REITs, the ongoing importance and subjectivity of factual determinations and the possibility of future changes in its circumstances, however, no assurance has been given or can be given by Hogan Lovells, or other counsel reasonably acceptable to the Companies or by Colony NorthStar that Colony NorthStar will qualify as a REIT for any particular year. While Hogan Lovells or other counsel reasonably acceptable to the Companies will review those matters in connection with the foregoing opinion, Hogan Lovells or other counsel reasonably acceptable to the Companies will not review Colony NorthStar's compliance with those tests on a continuing basis. Hogan Lovells' opinion or the opinion of other counsel reasonably acceptable to the Companies will be expressed only as of the date issued. Hogan Lovells or

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other counsel reasonably acceptable to the Companies will have no obligation to advise Colony NorthStar or its stockholders of any subsequent change in the matters stated, represented or assumed, or of any subsequent change in the applicable law. As noted above, receipt by Colony and NRF of Hogan Lovells' opinion or the opinion of other counsel reasonably acceptable to the Companies is a condition to the closing of the Mergers that the parties have agreed not to waive. Therefore, if, for whatever reason, such an opinion were not received by Colony and NRF, the transactions will not be consummated. Even if such an opinion is received, you should be aware that opinions of counsel are not binding on the IRS, and no assurance can be given that the IRS will not challenge the conclusions set forth in such opinions. The opinion of Hogan Lovells, or other counsel reasonably acceptable to the Companies, does not foreclose the possibility that Colony NorthStar may have to use one or more of the REIT savings provisions described below, which would require it to pay an excise or penalty tax (which could be material) in order to maintain REIT qualification. Accordingly, no assurance can be given that the actual results of its operations for any particular taxable year will satisfy such requirements. A discussion of the tax consequences of the failure to qualify as a REIT and certain alternatives is included below in the section entitled " Failure to Qualify."

If Colony NorthStar qualifies as a REIT, it generally will not be subject to U.S. federal income tax on the taxable income that it distributes to Colony NorthStar stockholders. The benefit of that tax treatment is that it avoids the "double taxation," or taxation at both the corporate and stockholder levels, that generally results from owning stock in a corporation. However, Colony NorthStar will be subject to federal tax in the following circumstances:

Colony NorthStar will pay U.S. federal income tax on any taxable income, including net capital gain, that it does not distribute to stockholders during, or within a specified time period after, the calendar year in which the income is earned.

Colony NorthStar may be subject to the "alternative minimum tax" on any items of tax preference that it does not distribute or allocate to stockholders.

Colony NorthStar will pay income tax at the highest corporate rate on:

- net income from the sale or other disposition of property acquired through foreclosure, or foreclosure property, that it holds primarily for sale to customers in the ordinary course of business; and
- other non-qualifying income from foreclosure property.

Colony NorthStar will pay a 100% tax on net income earned from sales or other dispositions of property, other than foreclosure property, by an entity other than a taxable REIT subsidiary, which we refer to as a TRS, if such property is held primarily for sale to customers in the ordinary course of business.

If Colony NorthStar fails to satisfy one or both of the 75% gross income test or the 95% gross income test, as described below in the section entitled " Requirements for Qualification Gross Income Tests," and nonetheless continues to qualify as a REIT because it meets other requirements, it will pay a 100% tax on:

- the greater of the amount by which it fails the 75% gross income test or the 95% gross income test, multiplied, in either case, by
- a fraction intended to reflect its profitability.

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If Colony NorthStar fails any of the asset tests (other than a de minimis failure of the 5% asset test or the 10% vote or value test, as described below in the section entitled " Requirements for Qualification Asset Tests"), as long as the failure was due to reasonable cause and not to willful neglect, Colony NorthStar files a description of each asset that caused such failure with the IRS, and Colony NorthStar disposes of the assets or otherwise complies with the asset tests within six months after the last day of the quarter in which it identifies such failure, it will pay a tax equal to the greater of \$50,000 or the highest U.S. federal income tax rate then applicable to U.S. corporations (currently 35%) on the net income from the nonqualifying assets during the period in which it failed to satisfy the asset tests in order to remain qualified as a REIT.

If Colony NorthStar fails to satisfy one or more requirements for REIT qualification, other than the gross income tests and the asset tests, and such failure is due to reasonable cause and not to willful neglect, it will be required to pay a penalty of \$50,000 for each such failure in order to remain qualified as a REIT.

If Colony NorthStar fails to distribute during a calendar year at least the sum of: (i) 85% of its REIT ordinary income for the year; (ii) 95% of its REIT capital gain net income for the year; and (iii) any undistributed taxable income required to be distributed from earlier periods, Colony NorthStar will pay a 4% nondeductible excise tax on the excess of the required distribution over the amount it actually distributed, plus any retained amounts on which income tax has been paid at the corporate level.

Colony NorthStar may elect to retain and pay income tax on its net long-term capital gain. In that case, to the extent that Colony NorthStar made a timely designation of such gain, a U.S. stockholder would be taxed on its proportionate share of Colony NorthStar's undistributed long-term capital gain and would receive a credit or refund for its proportionate share of the tax Colony NorthStar paid.

Colony NorthStar will be subject to a 100% excise tax on transactions with a TRS that are not conducted on an arm's-length basis.

If Colony NorthStar acquires any asset from a C corporation, or a corporation that generally is subject to full corporate-level tax, in a merger or other transaction in which Colony NorthStar acquires a basis in the asset that is determined by reference either to the C corporation's basis in the asset or to another asset, Colony NorthStar will pay tax at the highest regular corporate rate applicable if it recognizes gain on the sale or disposition of the asset during the 10-year period after it acquires the asset, provided no election is made for the transaction to be taxable on a current basis. This tax will generally apply to gain recognized with respect to assets that Colony NorthStar holds as of the effective date of its REIT election (January 1, 2017) if such gain is recognized during the 10-year period following such effective date or it may apply if Colony NorthStar were to engage in (or, potentially, become a successor to an entity that had engaged in) a tax-free spin-off transaction under Section 355 of the Code within 10 years of such effective date. The amount of gain on which Colony NorthStar would pay tax in the foregoing circumstances is the lesser of:

- the amount of gain that Colony NorthStar recognizes at the time of the sale or disposition (or would have recognized if, at the time of a spin-off transaction described above, Colony NorthStar had disposed of the applicable asset); and
- the amount of gain that Colony NorthStar would have recognized if it had sold the asset at the time Colony NorthStar acquired it, assuming that the C corporation will not elect in lieu of this treatment an immediate tax when the asset is acquired.

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Colony NorthStar may be required to pay monetary penalties to the IRS in certain circumstances, including if it fails to meet recordkeeping requirements intended to monitor its compliance with rules relating to the composition of a REIT's stockholders, as described below in the section entitled " Requirements for Qualification Recordkeeping Requirements."

The earnings of Colony NorthStar's lower-tier entities that are subchapter C corporations, excluding any qualified REIT subsidiaries, which we refer to as QRSs, but including domestic TRSs, are subject to federal corporate income tax.

If Colony NorthStar owns a residual interest in a real estate mortgage investment conduit, which we refer to as a REMIC, it will be taxable at the highest corporate rate on the portion of any excess inclusion income that it derives from the REMIC residual interests equal to the percentage of Colony NorthStar stock that is held in record name by "disqualified organizations." Although the law is unclear, IRS guidance indicates that similar rules may apply to a REIT that owns an equity interest in a taxable mortgage pool. To the extent that Colony NorthStar owns a REMIC residual interest or a taxable mortgage pool through a TRS, it will not be subject to this tax. For a discussion of "excess inclusion income," refer below to the section entitled " Requirements for Qualification Taxable Mortgage Pools." A "disqualified organization" includes:

- the United States;
- any state or political subdivision of the United States;
- any foreign government;
- any international organization;
- any agency or instrumentality of any of the foregoing;
- any other tax-exempt organization, other than a farmer's cooperative described in Section 521 of the Code, that is exempt both from income taxation and from taxation under the unrelated business taxable income provisions of the Code; and
- any rural electrical or telephone cooperative.

In addition, Colony NorthStar and its subsidiaries may be subject to a variety of taxes, including payroll taxes and state, local and foreign income, property and other taxes on its assets and operations. Colony NorthStar could also be subject to tax in situations and on transactions not presently contemplated. Moreover, as described further below, Colony NorthStar's TRSs will be subject to federal, state and local corporate income tax on their taxable income. Due to the nature of the assets in which Colony NorthStar intends to invest, Colony NorthStar expects that its TRSs will have a material amount of assets and net taxable income.

Requirements for Qualification

A REIT is a corporation, trust or association that meets each of the following requirements:

1. It is managed by one or more trustees or directors.
2. Its beneficial ownership is evidenced by transferable shares or by transferable certificates of beneficial interest.

3.

It would be taxable as a domestic corporation but for the REIT provisions of the U.S. federal income tax laws.

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4. It is neither a financial institution nor an insurance company subject to special provisions of the U.S. federal income tax laws.
5. At least 100 persons are beneficial owners of its shares or ownership certificates.
6. Not more than 50% in value of its outstanding shares or ownership certificates is owned, directly or indirectly, by five or fewer individuals, which the Code defines to include certain entities, during the last half of any taxable year.
7. It elects to be a REIT, or has made such election for a previous taxable year, and satisfies all relevant filing and other administrative requirements established by the IRS that must be met to elect and maintain REIT status.
8. It meets certain other qualification tests, described below, regarding the nature of its income and assets and the amount of its distributions to stockholders.
9. It uses a calendar year for U.S. federal income tax purposes.

Colony NorthStar must meet requirements 1 through 4, 8 and 9 during its entire taxable year and must meet requirement 5 during at least 335 days of a taxable year of 12 months, or during a proportionate part of a taxable year of less than 12 months. Requirements 5 and 6 will begin applying to Colony NorthStar with its 2018 taxable year. If Colony NorthStar complies with all the requirements for ascertaining the ownership of its outstanding shares in a taxable year and has no reason to know that it violated requirement 6, it will be deemed to have satisfied requirement 6 for that taxable year. For purposes of determining share ownership under requirement 6, an "individual" generally includes a supplemental unemployment compensation benefits plan, a private foundation or a portion of a trust permanently set aside or used exclusively for charitable purposes. An "individual," however, generally does not include a trust that is a qualified employee pension or profit-sharing trust under the U.S. federal income tax laws, and beneficiaries of such a trust will be treated as holding Colony NorthStar stock in proportion to their actuarial interests in the trust for purposes of requirement 6. Colony NorthStar expects to issue sufficient stock with sufficient diversity of ownership to satisfy requirements 5 and 6. In addition, Colony NorthStar's charter will restrict the ownership and transfer of Colony NorthStar stock so that it should continue to satisfy these requirements.

Qualified REIT Subsidiaries. A corporation that is a QRS is not treated as a corporation separate from its parent REIT. All assets, liabilities and items of income, deduction and credit of a QRS are treated as assets, liabilities and items of income, deduction and credit of the REIT. A QRS is a corporation, other than a TRS, all the stock of which is owned by the REIT. Thus, in applying the requirements described herein, any QRS that Colony NorthStar owns will be ignored, and all assets, liabilities and items of income, deduction and credit of such subsidiary will be treated as Colony NorthStar's assets, liabilities and items of income, deduction and credit.

Other Disregarded Entities and Partnerships. An unincorporated domestic entity, such as a partnership or limited liability company, that has a single owner for U.S. federal income tax purposes generally is not treated as an entity separate from its owner for U.S. federal income tax purposes. An unincorporated domestic entity with two or more owners is generally treated as a partnership for U.S. federal income tax purposes. In the case of a REIT that is a partner in a partnership that has other partners, the REIT is treated as owning its proportionate share of the assets of the partnership and as earning its allocable share of the gross income of the partnership for purposes of the applicable REIT qualification tests. Thus, Colony NorthStar's proportionate share of the assets, liabilities and items of income of its operating partnership, which the Companies currently expect to be Colony OP, and any other partnership, joint venture or limited liability company that is treated as a partnership for U.S.

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federal income tax purposes in which it has acquired or will acquire an interest, directly or indirectly, or a subsidiary partnership, will be treated as its assets and gross income for purposes of applying the various REIT qualification requirements. For purposes of the 10% value test (described in the section entitled " Asset Tests"), Colony NorthStar's proportionate share is based on its proportionate interest in the equity interests and certain debt securities issued by the partnership. For all of the other asset and income tests, Colony NorthStar's proportionate share is based on its proportionate interest in the capital of the partnership.

Colony NorthStar expects to acquire limited partner or non-managing member interests in partnerships and limited liability companies that are joint ventures or investment funds. If a partnership or limited liability company in which Colony NorthStar owns an interest takes or expects to take actions that could jeopardize its qualification as a REIT or require it to pay tax, Colony NorthStar may be forced to dispose of its interest in such entity. In addition, it is possible that a partnership or limited liability company could take an action which could cause Colony NorthStar to fail a REIT gross income or asset test, and that Colony NorthStar would not become aware of such action in time to dispose of its interest in the partnership or limited liability company or take other corrective action on a timely basis. In that case, Colony NorthStar could fail to qualify as a REIT unless it was able to qualify for a statutory REIT "savings" provision, which may require it to pay a significant penalty tax to maintain its REIT qualification.

Taxable REIT Subsidiaries. A REIT may own up to 100% of the stock of one or more TRSs. A TRS is a fully taxable corporation that may earn income that would not be qualifying income if earned directly by the parent REIT. The subsidiary and the REIT must jointly elect to treat the subsidiary as a TRS. A corporation of which a TRS directly or indirectly owns more than 35% of the voting power or value of the stock will automatically be treated as a TRS.

A REIT is not treated as holding the assets of a TRS or as receiving any income that the TRS earns. Rather, the stock issued by the TRS is an asset in the hands of the parent REIT and the REIT recognizes as income the dividends, if any, that it receives from the TRS. This treatment can affect the income and asset test calculations that apply to the REIT. Because a parent REIT does not include the assets and income of such TRSs in determining the parent REIT's compliance with the REIT requirements, TRSs may be used by the parent REIT to undertake indirectly activities that the REIT rules might otherwise preclude it from doing directly or through pass-through subsidiaries (for example, activities that give rise to certain categories of income such as management fees).

However, an entity will not qualify as a TRS if it directly or indirectly operates or manages a lodging or health care facility or, generally, provides rights to any brand name under which any lodging or health care facility is operated, unless such rights are provided to an "eligible independent contractor" to operate or manage a lodging facility or a health care facility if such rights are held by the TRS as a franchisee, licensee or in a similar capacity and such lodging facility or health care facility is either owned by the TRS or leased to the TRS by its parent REIT. A TRS will not be considered to operate or manage a qualified lodging facility or a qualified health care property solely because the TRS directly or indirectly possesses a license, permit or similar instrument enabling it to do so. Additionally, a TRS will not be considered to operate or manage a qualified lodging facility or qualified health care property located outside of the United States, as long as an "eligible independent contractor" is responsible for the daily supervision and direction of such individuals on behalf of the TRS pursuant to a management agreement or similar service contract. An "eligible independent contractor" is, generally, with respect to any qualified lodging facility or qualified health care property, any independent contractor (as defined in Section 856(d)(3) of the Code) if, at the time such contractor enters into a management agreement or other similar service contract with the TRS to operate such qualified lodging facility or qualified health care property, such contractor (or any related person) is actively engaged in the trade or business of operating qualified lodging facilities or qualified

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health care properties, respectively, for any person who is not a related person with respect to the parent REIT or the TRS. Colony NorthStar expects to acquire equity interests in health care properties and lodging facilities. Colony NorthStar may lease qualified health care properties or qualified lodging facilities to a TRS of Colony NorthStar, which TRS will, in turn, engage "eligible independent contractors" to operate such properties. Colony NorthStar may also own health care properties or lodging facilities through a TRS, which would engage "eligible independent contractors" to operate such facilities. Colony NorthStar intends to take all steps reasonably practicable to ensure that no TRS will engage in "operating" or "managing" its health care properties or lodging facilities and that the management companies engaged to operate such health care properties or lodging facilities will qualify as "eligible independent contractors."

Domestic TRSs are subject to U.S. federal income tax, and state and local income tax, where applicable, on their taxable income. To the extent that a domestic TRS is required to pay taxes, it will have less cash available for distribution to Colony NorthStar. If dividends are paid to Colony NorthStar by its domestic TRSs, then the dividends it pays to Colony NorthStar stockholders who are taxed at individual rates, up to the amount of dividends it receives from its domestic TRSs, will generally be eligible to be taxed at the reduced 20% rate applicable to qualified dividend income.

The TRS rules limit the deductibility of interest paid or accrued by a TRS to its parent REIT to assure that the TRS is subject to an appropriate level of corporate taxation. Further, the rules impose a 100% excise tax on transactions between a TRS and its parent REIT or the REIT's tenants that are not conducted on an arm's-length basis.

Colony NorthStar expects to hold a significant amount of assets in one or more TRSs, but will be subject to the limitation that securities in TRSs may not represent more than 25% (20% with respect to taxable years beginning after December 31, 2017) of the value of Colony NorthStar's total assets. There can be no assurance that Colony NorthStar will be able to comply with the 25% or 20% limitations.

In general, Colony NorthStar intends that loans that it originates or acquires with an intention of selling in a matter than might expose it to a 100% tax on "prohibited transactions" will be originated or sold by a TRS. Refer to the section entitled "Gross Income Tests Prohibited Transactions." It is possible that such a TRS through which sales of securities are made may be treated as a dealer for U.S. federal income tax purposes. As a dealer, a TRS would generally mark all the securities it holds on the last day of each taxable year to their market value, and may recognize ordinary income or loss on such securities with respect to such taxable year as if they had been sold for that value on that day. In addition, a TRS may further elect to be subject to the mark-to-market regime described above in the event that the TRS is properly classified as a "trader" as opposed to a "dealer" for U.S. federal income tax purposes.

Colony NorthStar intends to make TRS elections with respect to certain foreign TRSs, including any issuers of collateralized debt obligations and other foreign TRSs. The Code and Treasury regulations promulgated thereunder provide a specific exemption from U.S. federal income tax to non-U.S. corporations that restrict their activities in the United States to trading in stocks and securities (or any other activity closely related thereto) for their own account, whether such trading (or such other activity) is conducted by the corporation or its employees through a resident broker, commission agent, custodian or other agent. Colony NorthStar's foreign TRSs intend to rely on such exemption and do not intend to operate so as to be subject to U.S. federal income tax on their net income. Therefore, despite their status as TRSs, Colony NorthStar's foreign TRSs generally would not be subject to federal corporate income tax on their earnings. No assurance can be given, however, that the IRS will not challenge this treatment. If the IRS were to succeed in such a challenge, then it could greatly reduce the amounts that Colony NorthStar's foreign TRSs would have available to distribute to

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Colony NorthStar and to pay to their creditors. Notwithstanding these rules, any gain recognized by a foreign corporation with respect to U.S. real property is subject to U.S. tax as if the foreign corporation were a U.S. taxpayer. It is not anticipated that Colony NorthStar's foreign TRSs will hold U.S. real property other than by foreclosure. Nevertheless, gain (if any) realized on foreclosed U.S. real property would be subject to U.S. tax.

Certain U.S. stockholders of certain non-U.S. corporations, such as Colony NorthStar's foreign TRSs, are required to include in their income currently their proportionate share of the earnings of such a corporation, whether or not such earnings are distributed. Colony NorthStar generally will be required to include in income, on a current basis, the earnings of its foreign TRSs. For a discussion of the treatment of the income inclusions from Colony NorthStar's foreign TRSs under the gross income tests, refer to the section entitled " Gross Income Tests."

Subsidiary REITs. Colony NorthStar expects to acquire in the Mergers investments (directly or indirectly) in one or more entities that intend to qualify as REITs or to make similar investments in the future. Colony NorthStar believes that each such REIT that it will acquire in the Mergers or thereafter will operate in a manner to permit it to qualify for taxation as a REIT for U.S. federal income tax purposes and that stock in any such REIT will thus be a qualifying asset for purposes of the 75% asset test. However, if any such REIT fails to qualify as a REIT then (i) the entity would become subject to regular corporate income tax, as described herein (refer below to the section entitled " Failure to Qualify") and (ii) Colony NorthStar's equity interest in such entity would cease to be a qualifying real estate asset for purposes of the 75% asset test and would become subject to the 5% asset test and the 10% vote or value test generally applicable to Colony NorthStar's ownership in corporations other than REITs, QRSs or TRSs (refer below to the section entitled " Asset Tests"). If such an entity failed to qualify as a REIT, it is possible that Colony NorthStar would not meet the 75% asset test and/or the 10% vote or value test with respect to its interest in such entity, in which event Colony NorthStar would fail to qualify as a REIT, unless it qualified for certain relief provisions.

Taxable Mortgage Pools. An entity, or a portion of an entity, may be classified as a taxable mortgage pool, which we refer to as a TMP, under the Code if:

substantially all of its assets consist of debt obligations or interests in debt obligations;

more than 50% of those debt obligations are real estate mortgages or interests in real estate mortgages as of specified testing dates;

the entity has issued debt obligations that have two or more maturities; and

the payments required to be made by the entity on its debt obligations "bear a relationship" to the payments to be received by the entity on the debt obligations that it holds as assets.

Under the Treasury regulations, if less than 80% of the assets of an entity (or a portion of an entity) consists of debt obligations, these debt obligations are considered not to comprise "substantially all" of its assets and therefore the entity would not be treated as a TMP. Financing arrangements entered into, directly or indirectly, by Colony NorthStar may give rise to TMPs, with the consequences described in the next paragraph.

A TMP generally is treated as a corporation for U.S. federal income tax purposes. However, special rules apply to a REIT, a portion of a REIT, or a QRS that is a TMP. If a REIT owns directly, or indirectly through one or more QRSs or other entities that are disregarded as separate entities for U.S. federal income tax purposes, 100% of the equity interests in the TMP, the TMP will be a QRS and, therefore, ignored as an entity separate from the REIT for U.S. federal income tax purposes and

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would not generally affect the tax qualification of the REIT. It is possible that, based on future financing structures or investments, Colony NorthStar would have a QRS that is a TMP or a subsidiary that is a REIT and a TMP or a separate corporation that is taxable as a corporation.

If Colony NorthStar has an investment in an arrangement that is classified as a TMP, that TMP arrangement will be subject to tax as a separate corporation unless Colony NorthStar owns 100% of the equity in such TMP arrangement. Whether an arrangement is or is not a TMP may not be susceptible to precise determination. If an investment in which Colony NorthStar owns an interest is characterized as a TMP and thus as a separate corporation, Colony NorthStar will satisfy the 100% ownership requirement only so long as it owns all classes of securities that for tax purposes are characterized as equity, which is often an uncertain factual issue and in any event is unlikely in Colony NorthStar's case given that it expects to generally hold its assets through Colony NorthStar's operating partnership. Accordingly, if an investment in which Colony NorthStar owns an interest is characterized as a TMP and thus a separate corporation, Colony NorthStar may be unable to comply with the REIT asset tests that restrict its ability to own most corporations. A portion of the REIT's income from a TMP arrangement that is not taxed as a separate corporation, which might be non-cash accrued income, could be treated as "excess inclusion income." The manner in which excess inclusion income is calculated is not clear under current law. However, as required by IRS guidance, Colony NorthStar intends to make such determinations based on what it believes to be a reasonable method. Under the IRS guidance, a REIT's excess inclusion income, including any excess inclusion income from a residual interest in a REMIC, must be allocated among its stockholders in proportion to dividends paid. A REIT is required to notify stockholders of the amount of "excess inclusion income" allocated to them. A stockholder's share of excess inclusion income:

cannot be offset by any net operating losses otherwise available to the stockholder;

in the case of a stockholder that is a REIT, a regulated investment company or a common trust fund or other pass-through entity, is considered excess inclusion income of such entity;

is subject to tax as unrelated business taxable income in the hands of most types of stockholders that are otherwise generally exempt from U.S. federal income tax;

results in the application of U.S. federal income tax withholding at the maximum rate (30%), without reduction for any otherwise applicable income tax treaty or other exemption, to the extent allocable to most types of non-U.S. stockholders; and

is taxable (at the highest corporate tax rate, currently 35%) to the REIT, rather than its stockholders, to the extent allocable to the REIT's stock held in record name by disqualified organizations (generally, tax-exempt entities not subject to unrelated business income tax, including governmental organizations).

Tax-exempt investors, regulated investment company or REIT investors, non-U.S. investors and taxpayers with net operating losses should carefully consider the tax consequences described above, and are urged to consult their tax advisors.

Gross Income Tests

Colony NorthStar must satisfy two gross income tests annually to qualify as a REIT. First, at least 75% of Colony NorthStar's gross income for each taxable year must consist of defined types of income that it derives, directly or indirectly, from investments relating to real property or mortgages on

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real property or qualified temporary investment income. Qualifying income for purposes of the 75% gross income test generally includes:

rents from real property;

interest on debt secured by mortgages on real property or on interests in real property;

dividends or other distributions on, and gain from the sale of, shares in other REITs;

gain from the sale of real estate assets;

income and gain derived from foreclosure property;

income derived from a REMIC in proportion to the real estate assets held by the REMIC, unless at least 95% of the REMIC's assets are real estate assets, in which case all of the income derived from the REMIC; and

income derived from the temporary investment of new capital that is attributable to the issuance of Colony NorthStar stock or a public offering of its debt with a maturity date of at least five years and that it receives during the one-year period beginning on the date on which it received such new capital.

Although a debt instrument issued by a "publicly offered REIT" (*i.e.*, a REIT that is required to file annual and periodic reports with the SEC under the Exchange Act) is treated as a "real estate asset" for purposes of the asset tests, the interest income and gain from the sale of such debt instruments is not treated as qualifying income for the 75% gross income test unless the debt instrument is secured by real property or an interest in real property.

Second, in general, at least 95% of Colony NorthStar's gross income for each taxable year must consist of income that is qualifying income for purposes of the 75% gross income test, other types of interest and dividends, gain from the sale or disposition of stock or securities or any combination of these. For purposes of the 95% gross income test, gain from the sale of securities includes gain from the sale of a debt instrument issued by a "publicly offered REIT" even if not secured by real property or an interest in real property. Gross income from the sale of property that Colony NorthStar holds primarily for sale to customers in the ordinary course of business and cancellation of indebtedness, which we refer to as COD, income is excluded from both the numerator and the denominator in both income tests. In addition, income and gain from "qualified hedging transactions," as defined below in " Hedging Transactions," that are clearly and timely identified as such are excluded from both the numerator and the denominator for purposes of the 75% and 95% gross income tests. In addition, certain foreign currency gains are excluded from gross income for purposes of one or both of the gross income tests. Refer below to the section entitled " Foreign Currency Gain." The following paragraphs discuss the specific application of the gross income tests to Colony NorthStar.

Rents from Real Property

Rent that Colony NorthStar receives from its real property will qualify as "rents from real property" which is qualifying income for purposes of the 75% and 95% gross income tests, only if the following conditions are met:

First, the rent must not be based, in whole or in part, on the income or profits of any person. However, an amount received or accrued generally will not be excluded from rents from real property solely by reason of being based on fixed percentages of receipts or sales.

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Second, rents Colony NorthStar receives from a "related party tenant" will not qualify as rents from real property in satisfying the gross income tests unless the tenant is a TRS, and either: (i) at least 90% of the property is leased to unrelated tenants and the rent paid by the TRS is substantially comparable to the rent paid by the unrelated tenants for comparable space; or (ii) the TRS leases a qualified lodging facility or qualified health care property and engages an eligible independent contractor, as defined above in " Taxable REIT Subsidiaries," to operate such facility or property on its behalf. A tenant is a related party tenant if the REIT, or an actual or constructive owner of 10% or more of the REIT, actually or constructively owns 10% or more of the tenant.

Third, if rent attributable to personal property leased in connection with a lease of real property is 15% or less of the total rent received under the lease, then the rent attributable to personal property will qualify as rents from real property. However, if the 15% threshold is exceeded, the rent attributable to personal property will not qualify as rents from real property.

Fourth, Colony NorthStar generally must not operate or manage its real property or furnish or render services to its tenants, other than through an "independent contractor" who is adequately compensated and from whom Colony NorthStar does not derive revenue. However, Colony NorthStar may provide services directly to tenants if the services are "usually or customarily rendered" in connection with the rental of space for occupancy only and are not considered to be provided for the tenants' convenience. In addition, Colony NorthStar may provide a minimal amount of "noncustomary" services to the tenants of a property, other than through an independent contractor, as long as its income from the services (valued at not less than 150% of Colony NorthStar's direct cost of performing such services) does not exceed 1% of its income from the related property. Furthermore, Colony NorthStar may own up to 100% of the stock of a TRS which may provide customary and noncustomary services to its tenants without tainting its rental income for the related properties. Refer to the section entitled " Taxable REIT Subsidiaries."

Unless Colony NorthStar determines that the resulting nonqualifying income under any of the following circumstances, taken together with all other nonqualifying income earned by it in the taxable year, will not jeopardize its qualification as a REIT, Colony NorthStar does not intend to:

derive rental income attributable to personal property other than personal property leased in connection with the lease of real property, the amount of which is less than 15% of the total rent received under the lease;

rent any property to a related party tenant, including, except with respect to qualified health care properties and qualified lodging facilities, a TRS;

charge rent for any property that is based in whole or in part on the income or profits of any person, except by reason of being based on a fixed percentage or percentages of receipts or sales, as described above; or

directly perform services considered to be noncustomary or provided for the tenant's convenience.

With respect to Colony NorthStar's health care properties and lodging facilities leased to one of its TRSs, for the rent paid pursuant to the leases to constitute "rents from real property," the leases must be respected as true leases for U.S. federal income tax purposes. Accordingly, the leases cannot be treated as service contracts, joint ventures or some other type of arrangement. The determination of

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whether the leases are true leases for U.S. federal income tax purposes depends upon an analysis of all the surrounding facts and circumstances. In making such a determination, courts have considered a variety of factors, including the following:

the intent of the parties;

the form of the agreement;

the degree of control over the property that is retained by the property owner (for example, whether the lessee has substantial control over the operation of the property or whether the lessee was required simply to use its best efforts to perform its obligations under the agreement); and

the extent to which the property owner retains the risk of loss with respect to the property (for example, whether the lessee bears the risk of increases in operating expenses or the risk of damage to the property) or the potential for economic gain with respect to the property.

In addition, Section 7701(e) of the Code provides that a contract that purports to be a service contract or a partnership agreement is treated instead as a lease of property if the contract is properly treated as such, taking into account all relevant factors. Since the determination of whether a service contract should be treated as a lease is inherently factual, the presence or absence of any single factor may not be dispositive in every case.

Colony NorthStar intends to structure its health care property and lodging facility leases to qualify as true leases for U.S. federal income tax purposes. For example, with respect to the leases, generally:

the property owning entity and the lessee intend for their relationship to be that of a lessor and lessee, and such relationship will be documented by a lease agreement;

the lessee has the right to exclusive possession and use and quiet enjoyment of the property covered by the lease during the term of the lease;

the lessee bears the cost of, and is responsible for, day-to-day maintenance and repair of the property other than the cost of certain capital expenditures, and dictates through the property manager, who works for the lessee during the terms of the lease, how the property is operated and maintained;

the lessee bears all of the costs and expenses of operating the property, including the cost of any inventory used in their operation, during the term of the lease, other than the cost of certain furniture, fixtures and equipment, and certain capital expenditures;

the lessee benefits from any savings and bears the burdens of any increases in the costs of operating the property during the term of the lease;

in the event of damage or destruction to a property, the lessee will be at economic risk because it will bear the economic burden of the loss in income from operation of the property subject to the right, in certain circumstances, to terminate the lease if the lessor does not restore the property to its prior condition;

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the lessee generally indemnifies the lessor against all liabilities imposed on the lessor during the term of the lease by reason of (A) injury to persons or damage to property occurring at the property or (B) the lessee's use, management, maintenance or repair of the property;

the lessee is obligated to pay, at a minimum, substantial base rent for the period of use of the property under the lease;

the lessee stands to incur substantial losses or reap substantial gains depending on how successfully it, through the property manager, who works for the lessee during the terms of the leases, operates the property;

the lease enables the tenant to derive a meaningful profit, after expenses and taking into account the risks associated with the lease, from the operation of the property during the term of the lease; and

upon termination of the lease, the property will be expected to have a remaining useful life equal to at least 20% of its expected useful life on the date the lease is entered into, and a fair market value equal to at least 20% of its fair market value on the date the lease was entered into.

If, however, a lease were recharacterized as a service contract or partnership agreement, rather than a true lease, or disregarded altogether for tax purposes, all or part of the payments that the lessor receives from the lessee would not be considered rent and would not otherwise satisfy the various requirements for qualification as "rents from real property."

As indicated above, "rents from real property" must not be based in whole or in part on the income or profits of any person. Colony NorthStar intends to structure its health care property and lodging facility leases such that the leases provide for periodic payments of a specified base rent plus, to the extent that it exceeds the base rent, additional rent which is calculated based upon the gross revenues of the facilities subject to the lease, plus certain other amounts. Payments made pursuant to these leases should qualify as "rents from real property" since they are generally based on either fixed dollar amounts or on specified percentages of gross sales fixed at the time the leases were entered into. The foregoing assumes that the leases will not be renegotiated during their term in a manner that has the effect of basing either the percentage rent or base rent on income or profits.

The foregoing also assumes that the leases are not in reality used as a means of basing rent on income or profits. More generally, the rent payable under the leases will not qualify as "rents from real property" if, considering the leases and all the surrounding circumstances, the arrangement does not conform with normal business practice. It is Colony NorthStar's intention not to renegotiate the percentages used to determine the percentage rent during the terms of the leases in a manner that has the effect of basing rent on income or profits. In addition, Colony NorthStar intends to structure its leases to ensure that the rental provisions and other terms of the leases conform with normal business practice and are not intended to be used as a means of basing rent on income or profits.

Colony NorthStar expects to lease certain items of personal property to its TRS lessees in connection with its lodging facility leases. Under the Code, if a lease provides for the rental of both real and personal property and the portion of the rent attributable to personal property is 15% or less of the total rent due under the lease, then all rent paid pursuant to such lease qualifies as "rents from real property." If, however, a lease provides for the rental of both real and personal property, and the portion of the rent attributable to personal property exceeds 15% of the total rent due under the lease, then no portion of the rent that is attributable to personal property will qualify as "rents from real property." The amount of rent attributable to personal property is the amount that bears the same

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ratio to total rent for the taxable year as the average of the fair market value of the personal property at the beginning and end of the year bears to the average of the aggregate fair market value of both the real and personal property at the beginning and end of such year. Colony NorthStar expects that, with respect to its lodging facility leases, either the amount of rent attributable to personal property will not exceed 15% of the total rent due under the lease (determined under the law in effect for the applicable period), or, if the rent attributable to personal property constitutes nonqualifying income, such amounts, when taken together with all other nonqualifying income earned by Colony NorthStar, will not jeopardize its qualification as a REIT.

Interest

The term "interest," as defined for purposes of both gross income tests, generally excludes any amount that is based, in whole or in part, on the income or profits of any person. However, interest generally includes the following:

an amount that is based on a fixed percentage or percentages of receipts or sales; and

an amount that is based on the income or profits of a debtor, as long as the debtor derives substantially all of its income from the real property securing the debt from leasing substantially all of its interest in the property and only to the extent that the amounts received by the debtor would be qualifying "rents from real property" if received directly by a REIT.

If a loan contains a provision that entitles a REIT to a percentage of the borrower's gain upon the sale of the real property securing the loan or a percentage of the appreciation in the property's value as of a specific date, income attributable to that loan provision will be treated as gain from the sale of the property securing the loan, which generally is qualifying income for purposes of both gross income tests, provided that the property is not inventory or dealer property in the hands of the borrower or the REIT.

Interest on debt secured by mortgages on real property or on interests in real property (including, in the case of a loan secured by real property and personal property, such personal property to the extent that it does not exceed 15% of the total fair market value of all such property securing the loan), including, for this purpose, prepayment penalties, loan assumption fees and late payment charges that are not compensation for services, generally is qualifying income for purposes of the 75% gross income test. In general, under applicable Treasury Regulations, if a loan is secured by real property and other property and the highest principal amount of the loan outstanding during a taxable year exceeds the fair market value of the real property securing the loan determined as of: (i) the date Colony NorthStar agreed to acquire or originate the loan; or (ii) as discussed further below, in the event of a "significant modification," the date Colony NorthStar modified the loan, then a portion of the interest income from such loan will not be qualifying income for purposes of the 75% gross income test, but will be qualifying income for purposes of the 95% gross income test. The portion of the interest income that will not be qualifying income for purposes of the 75% gross income test will be equal to the portion of the principal amount of the loan that is not secured by real property that is, the amount by which the loan exceeds the value of the real property that is security for the loan. As discussed further below, IRS guidance provides that Colony NorthStar does not need to redetermine fair market value of the real property securing the loan in connection with a loan modification that is occasioned by a borrower default or made at a time when Colony NorthStar reasonably believes that the modification to the loan will substantially reduce a significant risk of default on the loan.

Colony NorthStar may invest in loans secured by real property that is under construction or being significantly improved, in which case the value of the real estate that is security for the loan will be the fair market value of the land plus the reasonably estimated cost of the improvements or

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developments (including, in the case of a loan secured by real property and personal property, such personal property to the extent that it does not exceed 15% of the total fair market value of all such property securing the loan) which will secure the loans and which are to be constructed from proceeds of the loan.

Colony NorthStar intends to originate and acquire mezzanine loans, which are loans secured by equity interests in an entity that directly or indirectly owns real property, rather than by a direct mortgage of the real property. In Revenue Procedure 2003-65, the IRS established a safe harbor under which loans secured by a first priority security interest in ownership interests in a partnership or limited liability company owning real property will be treated as real estate assets for purposes of the REIT asset tests described below, and interest derived from those loans will be treated as qualifying income for both the 75% and 95% gross income tests, provided several requirements are satisfied.

Although the Revenue Procedure provides a safe harbor on which taxpayers may rely, it does not prescribe rules of substantive tax law. Moreover, Colony NorthStar expects that some of its mezzanine loans may not meet all of the requirements for reliance on the safe harbor. To the extent any mezzanine loans that Colony NorthStar originates or acquires do not qualify for the safe harbor described above, the interest income from the loans will be qualifying income for purposes of the 95% gross income test, but there is a risk that such interest income will not be qualifying income for purposes of the 75% gross income test. Colony NorthStar intends to invest in mezzanine loans in a manner that will enable it to satisfy the REIT gross income and asset tests.

Colony NorthStar and its subsidiaries also expect to hold certain participation interests, or subordinated mortgage interests, in mortgage loans and mezzanine loans originated by other lenders. A subordinated mortgage interest is an interest created in an underlying loan by virtue of a participation or similar agreement, to which the originator of the loan is a party, along with one or more participants. The borrower on the underlying loan is typically not a party to the participation agreement. The performance of a participant's investment depends upon the performance of the underlying loan and if the underlying borrower defaults, the participant typically has no recourse against the originator of the loan. The originator often retains a senior position in the underlying loan and grants junior participations, which will be a first loss position in the event of a default by the borrower. Colony NorthStar expects that its (and its subsidiaries') participation interests generally will qualify as real estate assets for purposes of the REIT asset tests described below and that interest derived from such investments generally will be treated as qualifying interest for purposes of the 75% gross income test. The appropriate treatment of participation interests for U.S. federal income tax purposes is not entirely certain, however, and no assurance can be given that the IRS will not challenge Colony NorthStar's treatment of its participation interests.

Many of the terms of the mortgage loans, mezzanine loans and subordinated mortgage interests and the loans supporting the mortgage-backed securities that Colony NorthStar expects to acquire have been modified and may in the future be modified. Under the Code, if the terms of a loan are modified in a manner constituting a "significant modification," such modification triggers a deemed exchange of the original loan for the modified loan. IRS Revenue Procedure 2014-51 provides a safe harbor pursuant to which Colony NorthStar will not be required to redetermine the fair market value of the real property securing a loan for purposes of the gross income and asset tests in connection with a loan modification that is: (i) occasioned by a borrower default; or (ii) made at a time when Colony NorthStar reasonably believes that the modification to the loan will substantially reduce a significant risk of default on the original loan. No assurance can be provided that all of Colony NorthStar's loan modifications will qualify for the safe harbor in Revenue Procedure 2014-51. To the extent Colony NorthStar significantly modifies loans in a manner that does not qualify for that safe harbor, it will be required to redetermine the value of the real property securing the loan at the time it was significantly modified. In determining the value of the real property securing such a loan, Colony NorthStar

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generally will not obtain third-party appraisals but rather will rely on internal valuations. No assurance can be provided that the IRS will not successfully challenge Colony NorthStar's internal valuations. If the terms of Colony NorthStar's mortgage loans, mezzanine loans and subordinated mortgage interests and loans supporting its mortgage-backed securities are significantly modified in a manner that does not qualify for the safe harbor in Revenue Procedure 2014-51 and the fair market value of the real property securing such loans has decreased significantly, Colony NorthStar could fail the 75% gross income test, the 75% asset test and/or the 10% value test.

Colony NorthStar and its subsidiaries also may acquire distressed mortgage loans. Revenue Procedure 2014-51 provides that the IRS will treat distressed mortgage loans acquired by a REIT that are secured by real property and other property as producing in part non-qualifying income for the 75% gross income test. Specifically, Revenue Procedure 2014-51 indicates that interest income on such a distressed mortgage loan will be treated as qualifying income based on the ratio of: (i) the fair market value of the real property securing the debt determined as of the date the REIT committed to acquire the loan; and (ii) the face amount of the loan (and not the purchase price or current value of the debt). The face amount of a distressed mortgage loan will typically exceed the fair market value of the real property securing the mortgage loan on the date the REIT commits to acquire the loan. It is unclear how the safe harbor in Revenue Procedure 2014-51 is affected by the recent legislative changes regarding the treatment of personal property securing a mortgage loan. Colony NorthStar intends to invest in distressed mortgage loans in a manner that consistent with qualifying as a REIT.

Colony NorthStar and its subsidiaries expect to succeed to certain sale and repurchase agreements under which it nominally sells certain mortgage assets to a counterparty and simultaneously enters into an agreement to repurchase the sold assets. Based on positions the IRS has taken in analogous situations, Colony NorthStar believes that it will be treated for purposes of the REIT gross income and asset tests (refer below to the section entitled " Asset Tests") as the owner of the mortgage assets that are the subject of any such agreement notwithstanding that record ownership of the assets is transferred to the counterparty during the term of the agreement. It is possible, however, that the IRS could assert that Colony NorthStar does not own the mortgage assets during the term of the sale and repurchase agreement, in which case its ability to qualify as a REIT could be adversely affected.

Colony NorthStar may invest in agency securities that are pass-through certificates. Colony NorthStar expects that any such agency securities will be treated as either interests in a grantor trust or as interests in a REMIC for U.S. federal income tax purposes and that all interest income from such agency securities will be qualifying income for the 95% gross income test. In the case of agency securities treated as interests in grantor trusts, Colony NorthStar would be treated as owning an undivided beneficial ownership interest in the mortgage loans held by the grantor trust. The interest on such mortgage loans would be qualifying income for purposes of the 75% gross income test to the extent that such loan is secured by real property, as discussed above. In the case of agency securities treated as interests in a REMIC, income derived from such REMIC interests generally will be treated as qualifying income for purposes of the 75% gross income test. As discussed above, however, if less than 95% of the assets of the REMIC are real estate assets then only a proportionate part of the income derived from Colony NorthStar's interest in the REMIC will qualify for purposes of the 75% gross income tests. To the extent that a REMIC interest includes an imbedded interest swap or cap contract or other derivative instrument, such derivative instrument could produce nonqualifying income for purposes of the 75% gross income test. Colony NorthStar expects that substantially all of its income from agency securities will be qualifying income for purposes of the 75% and 95% gross income tests.

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Dividends; Subpart F Income

Colony NorthStar's share of any dividends received from any corporation (including any TRS, but excluding any REIT) in which it owns an equity interest will qualify for purposes of the 95% gross income test but not for purposes of the 75% gross income test. Colony NorthStar's share of any dividends received from any other REIT in which it owns an equity interest, including any subsidiary REIT, will be qualifying income for purposes of both gross income tests.

In addition, Colony NorthStar may be required to include in gross income its share of "Subpart F income" of one or more foreign (non-U.S.) corporations in which it invests, including its foreign TRSs, regardless of whether it receives distributions from such corporations. Colony NorthStar will treat certain income inclusions received with respect to equity investments in foreign TRSs as qualifying income for purposes of the 95% gross income test but not the 75% gross income test. The IRS has issued private letter rulings to other taxpayers concluding that similar income inclusions will be treated as qualifying income for purposes of the 95% gross income test. Those private letter rulings can only be relied upon by the taxpayers to whom they were issued. No assurance can be provided that the IRS will not successfully challenge Colony NorthStar's treatment of such income inclusions.

Fee Income

Colony NorthStar expects to receive various fees in connection with its operations. Fee income will be qualifying income for purposes of both the 75% and 95% gross income tests if it is received in consideration for entering into an agreement to make a loan secured by real property, and the fees are not determined by income and profits. Other fees, such as origination and servicing fees, fees for acting as a broker-dealer and fees for managing investments for third parties, are not qualifying income for purposes of either gross income test. Any fees earned by a TRS are not included for purposes of the gross income tests.

Hedging Transactions

From time to time, Colony NorthStar and its subsidiaries expect to enter into hedging transactions with respect to one or more of its assets or liabilities. Colony NorthStar's hedging activities may include entering into interest rate swaps, caps and floors, options to purchase such items and futures and forward contracts. Income and gain from "qualified hedging transactions" are excluded from gross income for purposes of the 75% and 95% gross income tests. A "qualified hedging transaction" includes: (i) any transaction entered into in the normal course of Colony NorthStar's trade or business primarily to manage the risk of interest rate, price changes or currency fluctuations with respect to borrowings made or to be made, or ordinary obligations incurred or to be incurred, to acquire or carry real estate assets; (ii) any transaction entered into primarily to manage the risk of currency fluctuations with respect to any item of income or gain that would be qualifying income under the 75% or 95% gross income test (or any property which generates such income or gain); and (iii) any transaction entered into to "offset" a transaction described in (i) or (ii) if a portion of the hedged indebtedness is extinguished or the related property disposed of. Colony NorthStar will be required to clearly identify any such hedging transaction before the close of the day on which it was acquired, originated or entered into and to satisfy other identification requirements in order to be treated as a qualified hedging transaction. Colony NorthStar intends to structure any hedging transactions in a manner that does not jeopardize its qualification as a REIT.

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COD Income

From time to time, Colony NorthStar and its subsidiaries may recognize COD income, in connection with repurchasing debt at a discount. COD income is excluded from gross income for purposes of both the 75% and 95% gross income tests.

Foreign Currency Gain

Certain foreign currency gains will be excluded from gross income for purposes of one or both of the gross income tests. "Real estate foreign exchange gain" will be excluded from gross income for purposes of the 75% gross income test. Real estate foreign exchange gain generally includes foreign currency gain attributable to any item of income or gain that is qualifying income for purposes of the 75% gross income test, foreign currency gain attributable to the acquisition or ownership of (or becoming or being the obligor under) obligations and certain foreign currency gain attributable to certain "qualified business units" of a REIT. "Passive foreign exchange gain" will be excluded from gross income for purposes of the 95% gross income test. Passive foreign exchange gain generally includes real estate foreign exchange gain as described above and also includes foreign currency gain attributable to any item of income or gain that is qualifying income for purposes of the 95% gross income test and foreign currency gain attributable to the acquisition or ownership of (or becoming or being the obligor under) obligations secured by mortgages on real property or on interests in real property. Because passive foreign exchange gain includes real estate foreign exchange gain, real estate foreign exchange gain is excluded from gross income for purposes of both the 75% and 95% gross income tests. These exclusions for real estate foreign exchange gain and passive foreign exchange gain do not apply to any certain foreign currency gain derived from dealing, or engaging in substantial and regular trading, in securities. Such gain is treated as nonqualifying income for purposes of both the 75% and 95% gross income tests.

Prohibited Transactions

A REIT will incur a 100% tax on the net income derived from any sale or other disposition of property, other than foreclosure property, that the REIT holds primarily for sale to customers in the ordinary course of a trade or business. Colony NorthStar expects that none of its assets will be held primarily for sale to customers and that a sale of any of its assets will not be in the ordinary course of its business. Whether a REIT holds an asset "primarily for sale to customers in the ordinary course of a trade or business" depends, however, on the facts and circumstances in effect from time to time, including those related to a particular asset. A safe harbor to the characterization of the sale of property by a REIT as a prohibited transaction and the 100% prohibited transaction tax is available if the following requirements are met:

the REIT has held the property for not less than two years;

the aggregate expenditures made by the REIT, or any partner of the REIT, during the two-year period preceding the date of the sale that are includable in the basis of the property do not exceed 30% of the selling price of the property;

either: (i) during the year in question, the REIT did not make more than seven sales of property other than foreclosure property or sales to which Section 1031 or 1033 of the Code applies; (ii) the aggregate adjusted bases of all such properties sold by the REIT during the year did not exceed 10% of the aggregate bases of all of the assets of the REIT at the beginning of the year; (iii) the aggregate fair market value of all such properties sold by the REIT during the year did not exceed 10% of the aggregate fair market value of all of the assets of the REIT at the beginning of the year; (iv)(A) the aggregate adjusted tax bases of all

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such properties sold by the REIT during the year did not exceed 20% of the aggregate adjusted bases of all property of the REIT at the beginning of the year and (B) the three-year average percentage of properties sold by the REIT compared to all the REIT's properties (measured by adjusted bases) taking into account the current and two prior years did not exceed 10%; or (v)(A) the aggregate fair market value of all such properties sold by the REIT during the year did not exceed 20% of the aggregate fair market value of all property of the REIT at the beginning of the year and (B) the three-year average percentage of properties sold by the REIT compared to all the REIT's properties (measured by fair market value) taking into account the current and two prior years did not exceed 10%;

in the case of property not acquired through foreclosure or lease termination, the REIT has held the property for at least two years for the production of rental income; and

if the REIT has made more than seven sales of non-foreclosure property during the taxable year, substantially all of the marketing and development expenditures with respect to the property were made through an independent contractor from whom the REIT derives no income or a TRS.

No assurance can be given that any property that Colony NorthStar sells will not be treated as property held "primarily for sale to customers in the ordinary course of a trade or business" or that Colony NorthStar will be able to comply with the safe harbor when disposing of assets. The 100% tax will not apply to gains from the sale of property that is held through a TRS or other taxable corporation, although such income will be taxed to the corporation at regular corporate income tax rates. Colony NorthStar intends to structure its activities to avoid transactions that would result in a material amount of prohibited transaction tax.

Foreclosure Property

Colony NorthStar will be subject to tax at the maximum corporate rate on any income from foreclosure property, which includes certain foreign currency gains and related deductions recognized, other than income that otherwise would be qualifying income for purposes of the 75% gross income test, less expenses directly connected with the production of that income. However, gross income from foreclosure property will qualify under the 75% and 95% gross income tests. Foreclosure property is any real property, including interests in real property, and any personal property incident to such real property:

that is acquired by a REIT as the result of the REIT having bid on such property at foreclosure or having otherwise reduced such property to ownership or possession by agreement or process of law, after there was a default or default was imminent on a lease of such property or on indebtedness that such property secured;

for which the related loan was acquired by the REIT at a time when the default was not imminent or anticipated; and

for which the REIT makes a proper election to treat the property as foreclosure property.

A REIT will not be considered to have foreclosed on a property where the REIT takes control of the property as a mortgagee-in-possession and cannot receive any profit or sustain any loss except as a creditor of the mortgagor. Property generally ceases to be foreclosure property at the end of the third taxable year following the taxable year in which the REIT acquired the property or longer

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if an extension is granted by the Secretary of the Treasury. However, this grace period terminates and foreclosure property ceases to be foreclosure property on the first day:

on which a lease is entered into for the property that, by its terms, will give rise to income that does not qualify for purposes of the 75% gross income test, or any amount is received or accrued, directly or indirectly, pursuant to a lease entered into on or after such day that will give rise to income that does not qualify for purposes of the 75% gross income test;

on which any construction takes place on the property, other than completion of a building or any other improvement, where more than 10% of the construction was completed before default became imminent; or

which is more than 90 days after the day on which the REIT acquired the property and the property is used in a trade or business which is conducted by the REIT, other than through an independent contractor from whom the REIT itself does not derive or receive any income or a TRS.

Colony NorthStar may acquire properties as a result of foreclosure or otherwise reducing the property to ownership when default has occurred or is imminent and may make foreclosure property elections with respect to some or all of those properties if such election is available (which may not be the case with respect to acquired "distressed loans").

Cash/Income Differences/Phantom Income

Due to the nature of the assets in which Colony NorthStar intends to invest, Colony NorthStar may be required to recognize taxable income from those assets in advance of its receipt of cash flow on or proceeds from disposition of such assets, and may be required to report taxable income in early periods that exceeds the economic income ultimately realized on such assets.

Colony NorthStar may acquire debt instruments in the secondary market for less than their face amount. The amount of such discount generally will be treated as "market discount" for U.S. federal income tax purposes. Colony NorthStar may elect to include in taxable income accrued market discount as it accrues rather than as it is realized for economic purposes, resulting in phantom income. Principal payments on certain loans are made monthly, and consequently accrued market discount may have to be included in income each month as if the debt instrument were assured of ultimately being collected in full. If Colony NorthStar collects less on the debt instrument than its purchase price plus the market discount it had previously reported as income, it may not be able to benefit from any offsetting loss deductions.

Colony NorthStar may acquire mortgage-backed securities that have been issued with original issue discount. In general, Colony NorthStar will be required to accrue original issue discount based on the constant yield to maturity of the mortgage-backed security, and to treat it as taxable income in accordance with applicable U.S. federal income tax rules even though smaller or no cash payments are received on such debt instrument. As in the case of the market discount discussed in the preceding paragraph, the constant yield in question will be determined and Colony NorthStar will be taxed based on the assumption that all future payments due on the mortgage-backed security in question will be made. If all payments on the mortgage-backed securities are not made, Colony NorthStar may not be able to benefit from any offsetting loss deductions.

In addition, pursuant to its investment strategy, Colony NorthStar may acquire distressed debt instruments and subsequently modify such instruments by agreement with the borrower. If the amendments to the outstanding debt are "significant modifications" under the applicable Treasury

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Regulations, the modified debt may be considered to have been reissued to Colony NorthStar in a debt-for-debt exchange with the borrower. In that event, Colony NorthStar may be required to recognize income to the extent the principal amount of the modified debt exceeds its adjusted tax basis in the unmodified debt, and would hold the modified loan with a cost basis equal to its principal amount for federal tax purposes. To the extent that such modifications are made with respect to a debt instrument held by a TRS treated as a dealer, as described above, such a TRS would be required at the end of each taxable year, including the taxable year in which such modification was made, to mark the modified debt instrument to its fair market value as if the debt instrument were sold. In that case, the TRS generally would recognize a loss at the end of the taxable year in which the modifications were made to the extent the fair market value of such debt instrument were less than its principal amount after the modification.

In addition, in the event that any debt instruments or mortgage-backed securities acquired by Colony NorthStar are delinquent as to mandatory principal and interest payments, or in the event payments with respect to a particular debt instrument are not made when due, Colony NorthStar may nonetheless be required to continue to recognize the unpaid interest as taxable income. Similarly, Colony NorthStar may be required to accrue interest income with respect to subordinate mortgage-backed securities at the stated rate regardless of whether corresponding cash payments are received.

Colony NorthStar may also be required under the terms of indebtedness that it incurs to private lenders or otherwise to use cash received from interest payments to make principal payments on that indebtedness, with the effect of recognizing income but not having a corresponding amount of cash available for distribution to holders of its securities.

Due to each of these potential timing differences between income recognition or expense deduction and cash receipts or disbursements, there is a significant risk that Colony NorthStar may have substantial taxable income in excess of cash available for distribution. In that event, Colony NorthStar may need to borrow funds or take other action to satisfy the REIT distribution requirements for the taxable year in which this "phantom income" is recognized. Refer below to the section entitled " Distribution Requirements."

Failure to Satisfy the Gross Income Tests

If Colony NorthStar fails to satisfy one or both of the gross income tests for any taxable year, it nevertheless may qualify as a REIT for that year if it qualifies for relief under certain provisions of the U.S. federal income tax laws. Those relief provisions are available if:

Colony NorthStar's failure to meet those tests is due to reasonable cause and not to willful neglect; and

following such failure for any taxable year, Colony NorthStar files a schedule of the sources of its income with the IRS.

Colony NorthStar cannot predict, however, whether in all circumstances it would qualify for the relief provisions. In addition, as discussed above in the section entitled " Taxation of Colony NorthStar," even if the relief provisions apply, Colony NorthStar would incur a 100% tax on the gross income attributable to the greater of the amount by which it fails the 75% or 95% gross income test, in each case, multiplied by a fraction intended to reflect its profitability.

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Asset Tests

To qualify as a REIT, Colony NorthStar also must satisfy the following asset tests at the end of each quarter of each taxable year. First, at least 75% of the value of its total assets must consist of:

cash or cash items, including certain receivables and money market funds;

government securities;

interests in real property, including leaseholds, options to acquire real property and leaseholds, and personal property to the extent such personal property is leased in connection with real property and rents attributable to such personal property are treated as "rents from real property";

interests in mortgage loans secured by real property;

stock in other REITs and debt instruments issued by "publicly offered REITs";

investments in stock or debt instruments during the one-year period following Colony NorthStar's receipt of new capital that it raises through equity offerings or public offerings of debt with at least a five-year term; and

regular or residual interests in a REMIC. However, if less than 95% of the assets of a REMIC consist of assets that are qualifying real estate-related assets under the U.S. federal income tax laws, determined as if Colony NorthStar held such assets, Colony NorthStar will be treated as holding directly its proportionate share of the assets of such REMIC.

Second, of Colony NorthStar's investments not included in the 75% asset class, the value of its interest in any one issuer's securities may not exceed 5% of the value of its total assets, which we refer to as the 5% asset test.

Third, of Colony NorthStar investments not included in the 75% asset class, it may not own more than 10% of the voting power or value of any one issuer's outstanding securities, which we refer to as the 10% vote or value test.

Fourth, no more than 25% (20% for taxable years beginning after December 31, 2017) of the value of Colony NorthStar's total assets may consist of the securities of one or more TRSs.

Fifth, no more than 25% of the value of Colony NorthStar's total assets may consist of the securities of TRSs and other non-TRS taxable subsidiaries and other assets that are not qualifying assets for purposes of the 75% asset test, which we refer to as the 25% securities test.

Sixth, no more than 25% of the value of Colony NorthStar's total assets may consist of debt instruments issued by "publicly offered REITs" to the extent such debt instruments are not secured by real property or interests in real property.

For purposes of the 5% asset test, the 10% vote or value test and the 25% securities test, the term "securities" does not include stock in another REIT, debt of a "publicly offered REIT," equity or debt securities of a QRS or, in the case of the 5% asset test and 10% vote or value test, TRS debt or equity, mortgage loans or mortgage-backed securities that constitute real estate assets, or equity interests in a partnership. The term "securities," however, generally includes debt securities issued by a

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partnership or another REIT (other than a "publicly offered REIT"), except, for purposes of the 10% value test, the term "securities" does not include:

"Straight debt" securities, which is defined as a written unconditional promise to pay on demand or on a specified date a sum certain in money if: (i) the debt is not convertible, directly or indirectly, into equity; and (ii) the interest rate and interest payment dates are not contingent on profits, the borrower's discretion, or similar factors. "Straight debt" securities do not include any securities issued by a partnership or a corporation in which Colony NorthStar or any TRS in which Colony NorthStar owns more than 50% of the voting power or value of the shares hold non-"straight debt" securities that have an aggregate value of more than 1% of the issuer's outstanding securities. However, "straight debt" securities include debt subject to the following contingencies:

- a contingency relating to the time of payment of interest or principal, as long as either: (i) there is no change to the effective yield of the debt obligation, other than a change to the annual yield that does not exceed the greater of 0.25% or 5% of the annual yield; or (ii) neither the aggregate issue price nor the aggregate face amount of the issuer's debt obligations held by Colony NorthStar exceeds \$1 million and no more than 12 months of unaccrued interest on the debt obligations can be required to be prepaid; and
- a contingency relating to the time or amount of payment upon a default or prepayment of a debt obligation, as long as the contingency is consistent with customary commercial practice;

Any loan to an individual or an estate;

Any "section 467 rental agreement" other than an agreement with a related party tenant;

Any obligation to pay "rents from real property";

Certain securities issued by governmental entities;

Any security issued by a REIT;

Any debt instrument issued by an entity treated as a partnership for U.S. federal income tax purposes in which Colony NorthStar is a partner to the extent of its proportionate interest in the equity and debt securities of the partnership; and

Any debt instrument issued by an entity treated as a partnership for U.S. federal income tax purposes not described in the preceding bullet points if at least 75% of the partnership's gross income, excluding income from prohibited transactions, is qualifying income for purposes of the 75% gross income test described above in the section entitled "Gross Income Tests."

For purposes of the 10% value test, Colony NorthStar's proportionate share of the assets of a partnership is its proportionate interest in any securities issued by the partnership, without regard to the securities described in the last two bullet points above.

Colony NorthStar expects that its holdings of securities and other assets will comply with the foregoing asset tests, and it intends to monitor compliance on an ongoing basis. However, independent appraisals have not been obtained to support Colony NorthStar's conclusions as to the value of its assets or the value of any particular security or securities. Moreover, values of some assets, including instruments issued in collateralized debt obligation transactions, may not be susceptible to a precise

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determination, and values are subject to change in the future. Furthermore, the proper classification of an instrument as debt or equity for U.S. federal income tax purposes may be uncertain in some circumstances, which could affect the application of the asset tests. Accordingly, there can be no assurance that the IRS will not contend that Colony NorthStar's interests in its subsidiaries or in the securities of other issuers will not cause a violation of the asset tests.

As described above, Revenue Procedure 2003-65 provides a safe harbor pursuant to which certain mezzanine loans secured by a first priority security interest in ownership interests in a partnership or limited liability company will be treated as qualifying assets for purposes of the 75% asset test (and therefore, are not subject to the 5% asset test and the 10% vote or value test). Refer to the section entitled " Gross Income Tests." Colony NorthStar expects that some of its mezzanine loans may not qualify for that safe harbor. To the extent that Colony NorthStar determines that a mezzanine loan likely would not qualify for the safe harbor and also would not be excluded from the definition of securities for purposes of the 10% vote or value test or could cause Colony NorthStar not to satisfy the 75% or 5% assets tests, it would hold that mezzanine loan through a taxable REIT subsidiary.

Colony NorthStar expects to invest in the stock of other entities that intend to qualify as REITs. Colony NorthStar believes that any stock that it will acquire in other REITs will be qualifying assets for purposes of the 75% asset test. If a REIT in which Colony NorthStar owns stock fails to qualify as a REIT in any year, however, the stock in such REIT will not be a qualifying asset for purposes of the 75% asset test. Instead, Colony NorthStar would be subject to the 5% asset test, the 10% vote or value test and the 25% securities test described above with respect to its investment in such a disqualified REIT. Consequently, if a REIT in which Colony NorthStar owns stock fails to qualify as a REIT, Colony NorthStar could fail one or more of the asset tests described above. To the extent Colony NorthStar invests in other REITs, it intends to do so in a manner that will enable it to continue to satisfy the REIT asset tests.

As discussed above in the section entitled " Gross Income Tests," Colony NorthStar and its subsidiaries may invest in distressed mortgage loans. In general, under the applicable Treasury Regulations, if a loan is secured by real property and other property and the highest principal amount of the loan outstanding during a taxable year exceeds the fair market value of the real property securing the loan as of: (i) the date Colony NorthStar agreed to acquire or originate the loan; or (ii) in the event of a significant modification, the date Colony NorthStar modified the loan, then a portion of the interest income from such a loan will not be qualifying income for purposes of the 75% gross income test but will be qualifying income for purposes of the 95% gross income test. Although the law is not entirely clear, a portion of the loan will also likely be a non-qualifying asset for purposes of the 75% asset test. The non-qualifying portion of such a loan would be subject to, among other requirements, the 10% vote or value test. IRS Revenue Procedure 2014-51 provides a safe harbor under which the IRS has stated that it will not challenge a REIT's treatment of a loan as being, in part, a qualifying real estate asset in an amount equal to the lesser of: (i) the fair market value of the loan on the relevant quarterly REIT asset testing date; or (ii) the greater of (A) the fair market value of the real property securing the loan on the relevant quarterly REIT asset testing date or (B) the fair market value of the real property securing the loan determined as of the date the REIT committed to originate or acquire the loan. It is unclear how the safe harbor in Revenue Procedure 2014-51 is affected by the recent legislative changes regarding the treatment of loans secured by both real property and personal property where the fair market value of the personal property does not exceed 15% of the sum of the fair market values of the real property and the personal property securing the loan. There can be no assurance that later interpretations of or any clarifications to this Revenue Procedure will be consistent with how Colony NorthStar currently is applying it to its REIT compliance analysis. Colony NorthStar intends to invest in distressed mortgage loans in a manner consistent with qualifying as a REIT.

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Also as discussed above, Colony NorthStar intends to invest in agency securities that are pass-through certificates. Colony NorthStar expects that the agency securities will be treated either as interests in grantor trusts or as interests in REMICs for U.S. federal income tax purposes. In the case of agency securities treated as interests in grantor trusts, Colony NorthStar would be treated as owning an undivided beneficial ownership interest in the mortgage loans held by the grantor trust. Such mortgage loans generally will qualify as real estate assets to the extent that they are secured by real property. Colony NorthStar expects that substantially all of its agency securities treated as interests in a grantor trust will qualify as real estate assets. In the case of agency securities treated as interests in a REMIC, such interests generally will qualify as real estate assets. If less than 95% of the assets of a REMIC are real estate assets, however, then only a proportionate part of Colony NorthStar's interest in the REMIC will qualify as a real estate asset. To the extent that Colony NorthStar holds mortgage participations or mortgage-backed securities that do not represent interests in a grantor trust or REMIC interests, such assets may not qualify as real estate assets depending upon the circumstances and the specific structure of the investment.

Colony NorthStar intends to monitor the status of its assets for purposes of the various asset tests. If Colony NorthStar fails to satisfy the asset tests at the end of a calendar quarter, it will not lose its REIT qualification if:

Colony NorthStar satisfied the asset tests at the end of the preceding calendar quarter; and

the discrepancy between the value of Colony NorthStar's assets and the asset test requirements arose from changes in the market values of its assets and was not wholly or partly caused by the acquisition of one or more non-qualifying assets.

If Colony NorthStar did not satisfy the condition described in the second item, above, it still could avoid disqualification by eliminating any discrepancy within 30 days after the close of the calendar quarter in which it arose.

If at the end of any calendar quarter Colony NorthStar violates the 5% asset test or the 10% vote or value test described above, it will not lose its REIT qualification if: (i) the failure is de minimis (up to the lesser of 1% of its assets or \$10 million); and (ii) it disposes of assets causing the failure or otherwise complies with the asset tests within six months after the last day of the quarter in which it identifies such failure. In the event of a failure of any of the asset tests (other than de minimis failures described in the preceding sentence), as long as the failure was due to reasonable cause and not to willful neglect, Colony NorthStar will not lose its REIT status if it: (i) disposes of assets or otherwise complies with the asset tests within six months after the last day of the quarter in which it identifies the failure; (ii) it files a description of each asset causing the failure with the IRS; and (iii) pays a tax equal to the greater of \$50,000 or 35% of the net income from the nonqualifying assets during the period in which Colony NorthStar failed to satisfy the asset tests.

Distribution Requirements

Each taxable year, Colony NorthStar must distribute dividends, other than capital gain dividends and deemed distributions of retained capital gain, to Colony NorthStar stockholders in an aggregate amount at least equal to the sum of:

90% of its "REIT taxable income," computed without regard to the dividends paid deduction and its net capital gain or loss; and

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90% of its after-tax net income, if any, from foreclosure property; minus

the sum of certain items of non-cash income.

Generally, Colony NorthStar must pay such distributions in the taxable year to which they relate, or in the following taxable year if: (i) Colony NorthStar declares the distribution before it timely files its U.S. federal income tax return for the year and pays the distribution on or before the first regular dividend payment date after such declaration; or (ii) Colony NorthStar declares the distribution in October, November or December of the taxable year, payable to stockholders of record on a specified day in any such month, and it actually pays the dividend before the end of January of the following year. The distributions under clause (i) are taxable to the stockholders in the year in which paid and the distributions in clause (ii) are treated as paid on December 31 of the prior taxable year. In both instances, these distributions relate to Colony NorthStar's prior taxable year for purposes of the 90% distribution requirement.

Unless Colony NorthStar qualifies as a "publicly offered REIT," in order for its distributions to be counted as satisfying the annual distribution requirement for REITs and to provide it with the REIT-level tax deduction, such distributions must not have been "preferential dividends." A dividend is not a preferential dividend if that distribution is: (i) pro rata among all outstanding shares within a particular class; and (ii) in accordance with the preferences among different classes of stock as set forth in Colony NorthStar's organizational documents. Colony NorthStar expects to qualify as "publicly offered REIT," and so long as it qualifies as a "publicly offered REIT," the preferential dividend rule will not apply to it.

Colony NorthStar will pay U.S. federal income tax on taxable income, including net capital gain, that it does not distribute to stockholders. Furthermore, if Colony NorthStar fails to distribute during a calendar year, or by the end of January following the calendar year in the case of distributions with declaration and record dates falling in the last three months of the calendar year, at least the sum of:

85% of its REIT ordinary income for such year;

95% of its REIT capital gain income for such year; and

any undistributed taxable income from prior periods,

Colony NorthStar will incur a 4% nondeductible excise tax on the excess of such required distribution over the amounts it actually distributes.

Colony NorthStar may elect to retain and pay income tax on the net long-term capital gain it receives in a taxable year. If Colony NorthStar so elects, it will be treated as having distributed any such retained amount for purposes of the 4% nondeductible excise tax described above. Colony NorthStar intends to make timely distributions sufficient to satisfy the annual distribution requirements and to avoid corporate income tax and the 4% nondeductible excise tax.

It is possible that, from time to time, Colony NorthStar may experience timing differences between the actual receipt of income and actual payment of deductible expenses and the inclusion of that income and deduction of such expenses in arriving at its REIT taxable income. Refer to, for example, the discussion of excess inclusion income above in the section entitled " Requirements for Qualification Taxable Mortgage Pools." Other potential sources of non-cash taxable income include gain recognized on the deemed exchange of distressed debt that has been modified, real estate and securities that have been financed through securitization structures, such as the collateralized debt

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obligation structure, which require some or all of available cash flow to be used to service borrowings, loans or mortgage-backed securities that Colony NorthStar holds that have been issued at a discount and require the accrual of taxable economic interest in advance of its receipt in cash and distressed loans on which Colony NorthStar may be required to accrue taxable interest income even though the borrower is unable to make current servicing payments in cash. In the event that such timing differences occur, it might be necessary to arrange borrowings or other means of raising capital to meet the distribution requirements. Additionally, Colony NorthStar may, if possible, pay taxable dividends of Colony NorthStar stock or debt to meet the distribution requirements.

Pursuant to Revenue Procedure 2010-12, the IRS created a temporary safe harbor authorizing publicly traded REITs to make elective cash/stock dividends. That safe harbor has expired. However, the IRS has issued private letter rulings to other REITs granting similar treatment to elective cash/stock dividends. Those rulings may only be relied upon by the taxpayers to whom they were issued, but Colony NorthStar could request a similar ruling from the IRS. Accordingly, it is unclear whether and to what extent Colony NorthStar will be able to pay taxable dividends payable in cash and stock in later years.

Under certain circumstances, Colony NorthStar may be able to correct a failure to meet the distribution requirement for a year by paying "deficiency dividends" to Colony NorthStar stockholders in a later year. Colony NorthStar may include such deficiency dividends in its deduction for dividends paid for the earlier year. Although Colony NorthStar may be able to avoid income tax on amounts distributed as deficiency dividends, it will be required to pay interest to the IRS based upon the amount of any deduction it takes for deficiency dividends.

In addition, a REIT is required to distribute all accumulated earnings and profits attributable to non-REIT years by the close of its first taxable year in which it has non-REIT earnings and profits to distribute.

Following the closing of the Mergers, Colony NorthStar and its subsidiaries will engage in certain transactions to integrate the businesses and assets of Colony, NRF and NSAM and such transactions are expected to generate significant amounts of taxable income or earnings and profits that Colony NorthStar will be required to distribute in order to satisfy the REIT distribution requirements. In addition to the NSAM special dividend, Colony NorthStar could pay any additional required distribution in a combination of cash and Colony NorthStar stock. The portion that is paid in cash would be determined at the time the dividend is declared, but would be at least 20% of the total amount distributed to all stockholders. A holder of Colony NorthStar stock would be required to report income as a result of this distribution even if such stockholder received no cash or only nominal amounts of cash in the distribution. Refer to " Taxation of Taxable U.S. Stockholders of Colony NorthStar Taxation of U.S. Stockholders on Distributions on Colony NorthStar Stock."

Recordkeeping Requirements

Colony NorthStar is required to maintain certain records under the REIT rules. In addition, to avoid a monetary penalty, Colony NorthStar must request on an annual basis information from Colony NorthStar stockholders designed to disclose the actual ownership of its outstanding shares of beneficial interest. Colony NorthStar intends to continue to comply with these requirements.

Foreign Investments

Colony NorthStar and its subsidiaries expect to acquire investments in foreign countries that will require it to pay taxes to foreign countries. Taxes that Colony NorthStar pays in foreign jurisdictions may not be passed through to, or used by, Colony NorthStar stockholders as a foreign tax

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credit or otherwise. Colony NorthStar could be subject to U.S. federal income tax rules intended to prevent or minimize the value of the deferral of the recognition by it of passive-type income of foreign entities in which it owns a direct or indirect interest. As a result, Colony NorthStar could be required to recognize taxable income for U.S. federal income tax purposes prior to receiving cash distributions with respect to that income or, in certain circumstances, pay an interest charge on U.S. federal income tax that it is deemed to have deferred. Colony NorthStar's foreign investments might also generate foreign currency gains and losses. Certain foreign currency gains may be excluded from gross income for purposes of one or both of the gross income tests, as discussed above. Refer above to the section entitled " Requirements for Qualification Gross Income Tests."

Failure to Qualify

If Colony NorthStar fails to satisfy one or more requirements for REIT qualification, other than the gross income tests and the asset tests, it could avoid disqualification if its failure is due to reasonable cause and not to willful neglect and Colony NorthStar pays a penalty of \$50,000 for each such failure. In addition, there are relief provisions for a failure of the gross income tests and asset tests, as described in the sections entitled " Gross Income Tests" and " Asset Tests."

If Colony NorthStar fails to qualify as a REIT in any taxable year, and no relief provision applies, it would be subject to U.S. federal income tax and any applicable alternative minimum tax on its taxable income at regular corporate rates. In calculating its taxable income in a year in which it fails to qualify as a REIT, Colony NorthStar would not be able to deduct amounts paid out to stockholders. In fact, Colony NorthStar would not be required to distribute any amounts to stockholders in that year. In such event, to the extent of Colony NorthStar's current and accumulated earnings and profits, distributions to most stockholders taxed at individual rates would generally be taxable at capital gains tax rates. Subject to certain limitations of the U.S. federal income tax laws, corporate stockholders might be eligible for the dividends received deduction. Unless Colony NorthStar qualified for relief under specific statutory provisions, it also would be disqualified from taxation as a REIT for the four taxable years following the year during which it ceased to qualify as a REIT. Colony NorthStar cannot predict whether in all circumstances it would qualify for such statutory relief. In addition, the rule against re-electing REIT status following a loss of such status could also apply to Colony NorthStar if, notwithstanding the REIT opinions required to be delivered in connection with the closing of the Mergers, it were determined that Colony or NRF failed to qualify as REITs and Colony NorthStar were treated as a successor to Colony or NRF, as applicable.

Taxation of Taxable U.S. Stockholders of Colony NorthStar

The term "U.S. stockholder" means a beneficial owner of Colony NorthStar stock that for U.S. federal income tax purposes is:

a citizen or resident of the United States;

a corporation (including an entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any of its states or the District of Columbia;

an estate whose income is subject to U.S. federal income taxation regardless of its source; or

a trust if: (i) a U.S. court is able to exercise primary supervision over the administration of such trust and one or more U.S. persons have the authority to control all substantial decisions of the trust; or (ii) it has a valid election in place to be treated as a U.S. person.

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If a partnership, entity or arrangement treated as a partnership for U.S. federal income tax purposes holds Colony NorthStar stock, the U.S. federal income tax treatment of a partner in the partnership will generally depend on the status of the partner and the activities of the partnership. If you are a partner in a partnership holding Colony NorthStar stock, you should consult your tax advisor regarding the consequences of the purchase, ownership and disposition of Colony NorthStar stock by the partnership.

Taxation of U.S. Stockholders on Distributions of Colony NorthStar Stock

As long as Colony NorthStar qualifies as a REIT, a taxable U.S. stockholder must generally take into account as ordinary income distributions made out of Colony NorthStar's current or accumulated earnings and profits that Colony NorthStar does not designate as capital gain dividends or retained long-term capital gain. For purposes of determining whether a distribution is made out of its current or accumulated earnings and profits, Colony NorthStar's earnings and profits will be allocated first to its preferred stock dividends and then to its common stock dividends.

Dividends paid to U.S. stockholders will not qualify for the dividends received deduction generally available to corporations. In addition, dividends paid to a U.S. stockholder generally will not qualify for the 20% tax rate for qualified dividend income. The maximum tax rate for qualified dividend income is 20%. Qualified dividend income generally includes dividends paid to U.S. stockholders taxed at individual rates by domestic C corporations and certain qualified foreign corporations. Because Colony NorthStar will not generally be subject to U.S. federal income tax on the portion of its REIT taxable income distributed to Colony NorthStar stockholders (refer above to the section entitled "Taxation of Colony NorthStar"), its dividends generally will not be eligible for the 20% rate on qualified dividend income. As a result, Colony NorthStar's ordinary REIT dividends will be taxed at the higher tax rate applicable to ordinary income, which is currently a maximum rate of 39.6%. However, the 20% tax rate for qualified dividend income will apply to Colony NorthStar's ordinary REIT dividends to the extent attributable: (i) to income retained by it in a prior non-REIT taxable year in which it or a predecessor was subject to corporate income tax (less the amount of tax); (ii) to dividends received by it from non-REIT corporations, such as domestic TRSs; and (iii) to the extent attributable to income upon which it has paid corporate income tax (*e.g.*, to the extent that Colony NorthStar distributes less than 100% of its net taxable income). In general, to qualify for the reduced tax rate on qualified dividend income, a stockholder must hold Colony NorthStar stock for more than 60 days during the 121-day period beginning on the date that is 60 days before the date on which Colony NorthStar stock becomes ex-dividend. In addition, dividends paid to certain individuals, trusts and estates whose income exceeds certain thresholds are subject to a 3.8% Medicare tax.

Depending on events during 2017, Colony NorthStar may need to pay a special dividend for the year, in addition to its regular quarterly dividends for the year. If it is determined that Colony NorthStar needs to pay a special dividend, it might decide to pay that special dividend in the form of a combination of cash and Colony NorthStar stock. If so, a Colony NorthStar stockholder would be required to report income on the entire distribution received, even if such stockholder receives no cash or only nominal amounts of cash in the distribution.

A U.S. stockholder generally will take into account as long-term capital gain any distributions that Colony NorthStar designates as capital gain dividends without regard to the period for which the U.S. stockholder has held Colony NorthStar stock. Colony NorthStar generally will designate its capital gain dividends as either 20% or 25% rate distributions. Refer below to the section entitled "Capital Gains and Losses." A corporate U.S. stockholder, however, may be required to treat up to 20% of certain capital gain dividends as ordinary income.

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Colony NorthStar may elect to retain and pay income tax on the net long-term capital gain that it receives in a taxable year. In that case, to the extent that Colony NorthStar designates such amount in a timely notice to such stockholder, a U.S. stockholder would be taxed on its proportionate share of Colony NorthStar's undistributed long-term capital gain. The U.S. stockholder would receive a credit for its proportionate share of the tax Colony NorthStar paid. The U.S. stockholder would increase the basis in its stock by the amount of its proportionate share of Colony NorthStar's undistributed long-term capital gain, minus its share of the tax Colony NorthStar paid.

To the extent that Colony NorthStar makes a distribution in excess of its current and accumulated earnings and profits, such distribution will not be taxable to a U.S. stockholder to the extent that it does not exceed the adjusted tax basis of the U.S. stockholder's stock. Instead, such distribution will reduce the adjusted tax basis of such stock. To the extent that Colony NorthStar makes a distribution in excess of both its current and accumulated earnings and profits and the U.S. stockholder's adjusted tax basis in its stock, such stockholder will recognize long-term capital gain or short-term capital gain if the stock has been held for one year or less, assuming the stock is a capital asset in the hands of the U.S. stockholder. In addition, if Colony NorthStar declares a distribution in October, November or December of any year that is payable to a U.S. stockholder of record on a specified date in any such month, such distribution shall be treated as both paid by Colony NorthStar and received by the U.S. stockholder on December 31 of such year, provided that Colony NorthStar actually pays the distribution during January of the following calendar year.

Stockholders may not include in their individual income tax returns any of Colony NorthStar's net operating losses or capital losses. Instead, Colony NorthStar would carry over such losses for potential offset against Colony NorthStar's future income. Taxable distributions from Colony NorthStar and gain from the disposition of Colony NorthStar stock will not be treated as passive activity income, and, therefore, stockholders generally will not be able to apply any "passive activity losses," such as losses from certain types of limited partnerships in which the stockholder is a limited partner, against such income. In addition, taxable distributions from Colony NorthStar and gain from the disposition of Colony NorthStar stock generally may be treated as investment income for purposes of the investment interest limitations (although any capital gains so treated will not qualify for the lower 20% tax rate applicable to capital gains of U.S. stockholders taxed at individual rates). Colony NorthStar will notify stockholders after the close of Colony NorthStar's taxable year as to the portions of its distributions attributable to that year that constitute ordinary income, return of capital and capital gain.

If excess inclusion income from a TMP or REMIC residual interest is allocated to any U.S. stockholder, that income will be taxable in the hands of the U.S. stockholder and would not be offset by any net operating losses of the U.S. stockholder that would otherwise be available. Refer to the section entitled " Requirements for Qualification Taxable Mortgage Pools." As required by IRS guidance, Colony NorthStar intends to notify its U.S. stockholders if a portion of a dividend paid by it is attributable to excess inclusion income.

Taxation of U.S. Stockholders on the Disposition of Colony NorthStar Stock

In general, a U.S. stockholder who is not a dealer in securities must treat any gain or loss realized upon a taxable disposition of Colony NorthStar stock as long-term capital gain or loss if the U.S. stockholder has held the stock for more than one year and otherwise as short-term capital gain or loss. However, a U.S. stockholder must treat any loss upon a sale or exchange of stock held by such stockholder for six months or less as a long-term capital loss to the extent of any actual or deemed distributions from Colony NorthStar that such U.S. stockholder previously has characterized as long-term capital gain. All or a portion of any loss that a U.S. stockholder realizes upon a taxable disposition of the stock may be disallowed if the U.S. stockholder purchases other substantially identical

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shares of Colony NorthStar stock within 30 days before or after the disposition (in which case, the basis of the shares acquired would be adjusted to reflect the disallowed loss).

Taxation of U.S. Stockholders on a Redemption of Preferred Stock

A redemption of Colony NorthStar's preferred stock will be treated under Section 302 of the Code as a distribution that is taxable as dividend income (to the extent of its current or accumulated earnings and profits), unless the redemption satisfies certain tests set forth in Section 302(b) of the Code enabling the redemption to be treated as a sale of the preferred stock (in which case the redemption will be treated in the same manner as a sale described above in the section entitled " Taxation of U.S. Stockholders on the Disposition of Colony NorthStar Stock"). The redemption will satisfy such tests if it: (i) is "substantially disproportionate" with respect to the U.S. stockholder's interest in Colony NorthStar stock; (ii) results in a "complete termination" of the U.S. stockholder's interest in all classes of Colony NorthStar stock; or (iii) is "not essentially equivalent to a dividend" with respect to the stockholder, all within the meaning of Section 302(b) of the Code. In determining whether any of these tests have been met, stock considered to be owned by the holder by reason of certain constructive ownership rules set forth in the Code, as well as stock actually owned, generally must be taken into account. Because the determination as to whether any of the three alternative tests of Section 302(b) of the Code described above will be satisfied with respect to any particular U.S. stockholder of the preferred stock depends upon the facts and circumstances at the time that the determination must be made, prospective investors are urged to consult their tax advisors to determine such tax treatment. If a redemption of Colony NorthStar's preferred stock does not meet any of the three tests described above, the redemption proceeds will be treated as a distribution, as described above in the section entitled " Taxation of U.S. Stockholders on Distributions on Colony NorthStar Stock." In that case, a U.S. stockholder's adjusted tax basis in the redeemed preferred stock will be transferred to such U.S. stockholder's remaining stock holdings in Colony NorthStar. If the U.S. stockholder does not retain any of Colony NorthStar's shares, such basis could be transferred to a related person that holds Colony NorthStar stock or it may be lost.

Under proposed Treasury Regulations, if any portion of the amount received by a U.S. stockholder on a redemption of any class of Colony NorthStar's preferred stock is treated as a distribution with respect to Colony NorthStar stock but not as a taxable dividend, then such portion will be allocated to all stock of the redeemed class held by the redeemed stockholder just before the redemption on a pro-rata, share-by-share, basis. The amount applied to each share will first reduce the redeemed U.S. stockholder's basis in that share and any excess after the basis is reduced to zero will result in taxable gain. If the redeemed stockholder has different bases in its shares, then the amount allocated could reduce some of the basis in certain shares while reducing all the basis and giving rise to taxable gain in others. Thus, the redeemed U.S. stockholder could have gain even if such U.S. stockholder's basis in all its shares of the redeemed class exceeded such portion.

The proposed Treasury Regulations permit the transfer of basis in the redeemed preferred shares to the redeemed U.S. stockholder's remaining, unredeemed preferred shares of the same class, if any, but not to any other class of shares held, directly or indirectly, by the redeemed U.S. stockholder. Instead, any unrecovered basis in the redeemed preferred shares would be treated as a deferred loss to be recognized when certain conditions are satisfied. The proposed Treasury Regulations would be effective for transactions that occur after the date the regulations are published as final Treasury Regulations. There can, however, be no assurance as to whether, when and in what particular form such proposed Treasury Regulations will ultimately be finalized.

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Capital Gains and Losses

A taxpayer generally must hold a capital asset for more than one year for gain or loss derived from its sale or exchange to be treated as long-term capital gain or loss. The highest marginal individual income tax rate is currently 39.6%. However, the maximum tax rate on long-term capital gain applicable to U.S. stockholders taxed at individual rates is 20%. The maximum tax rate on long-term capital gain from the sale or exchange of "Section 1250 property," which we refer to as depreciable real property, is 25% computed on the lesser of the total amount of the gain or the accumulated Section 1250 depreciation. In addition, capital gains recognized by certain individuals, trusts and estates whose income exceeds certain thresholds are subject to a 3.8% Medicare tax. With respect to distributions that Colony NorthStar designates as capital gain dividends and any retained capital gain that it is deemed to distribute, Colony NorthStar generally may designate whether such a distribution is taxable to its U.S. stockholders taxed at individual rates at a 20% or 25% rate. Thus, the tax rate differential between capital gain and ordinary income for those taxpayers may be significant. In addition, the characterization of income as capital gain or ordinary income may affect the deductibility of capital losses. A non-corporate taxpayer may deduct capital losses not offset by capital gains against its ordinary income only up to a maximum annual amount of \$3,000. A non-corporate taxpayer may carry forward unused capital losses indefinitely. A corporate taxpayer must pay tax on its net capital gain at ordinary corporate rates. A corporate taxpayer may deduct capital losses only to the extent of capital gains, with unused losses being carried back three years and forward five years.

Taxation of Tax-Exempt Stockholders

Tax-exempt entities, including qualified employee pension and profit-sharing trusts and individual retirement accounts and annuities, generally are exempt from U.S. federal income taxation. However, they are subject to taxation on their unrelated business taxable income, which we refer to as UBTI. While many investments in real estate generate UBTI, the IRS has issued a published ruling that dividend distributions from a REIT to an exempt employee pension trust do not constitute UBTI, provided that the exempt employee pension trust does not otherwise use the shares of the REIT in an unrelated trade or business of the pension trust. Based on that ruling, amounts that Colony NorthStar distributes to tax-exempt stockholders generally should not constitute UBTI. However, if a tax-exempt stockholder were to finance its investment in Colony NorthStar stock with debt, a portion of the income that it receives from Colony NorthStar would constitute UBTI pursuant to the "debt-financed property" rules. In addition, Colony NorthStar's dividends that are attributable to excess inclusion income will constitute UBTI in the hands of most tax-exempt stockholders. Refer to the section entitled " Requirements for Qualification Taxable Mortgage Pools." Furthermore, social clubs, voluntary employee benefit associations, supplemental unemployment benefit trusts and qualified group legal services plans that are exempt from taxation under special provisions of the U.S. federal income tax laws are subject to different UBTI rules, which generally will require them to characterize distributions that they receive from Colony NorthStar as UBTI. Finally, in certain circumstances, a qualified employee pension or profit-sharing trust that owns more than 10% of Colony NorthStar stock is required to treat a percentage of the dividends that it receives from Colony NorthStar as UBTI. Such percentage is equal to the gross income that Colony NorthStar derives from an unrelated trade or business, determined as if Colony NorthStar were a pension trust, divided by Colony NorthStar's total gross income for the year in which Colony NorthStar pays the dividends. That rule applies to a pension trust holding more than 10% of Colony NorthStar stock only if:

the percentage of Colony NorthStar's dividends that the tax-exempt trust would be required to treat as UBTI is at least 5%;

Colony NorthStar qualifies as a REIT by reason of the modification of the rule requiring that no more than 50% of Colony NorthStar stock be owned by five or fewer individuals that

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allows the beneficiaries of the pension trust to be treated as holding Colony NorthStar stock in proportion to its actuarial interests in the pension trust (refer to the section entitled " Requirements for Qualification"); and

either: (i) one pension trust owns more than 25% of the value of Colony NorthStar stock; or (ii) a group of pension trusts individually holding more than 10% of the value of Colony NorthStar stock collectively owns more than 50% of the value of Colony NorthStar stock.

Taxation of Non-U.S. Stockholders

The term "non-U.S. stockholder" means a beneficial owner of Colony NorthStar stock that is not a U.S. stockholder or a partnership or an entity treated as a partnership for U.S. federal income tax purposes. The rules governing U.S. federal income taxation of non-U.S. stockholders are complex. This section is only a summary of such rules. Non-U.S. stockholders are urged to consult their tax advisors to determine the impact of federal, state, local and foreign income tax laws on the ownership of Colony NorthStar stock, including any reporting requirements.

A non-U.S. stockholder that receives a distribution that is not attributable to gain from Colony NorthStar's sale or exchange of a "United States real property interest," which we refer to as USRPI, and that Colony NorthStar does not designate as a capital gain dividend or retained capital gain, will recognize ordinary income to the extent that Colony NorthStar pays such distribution out of its current or accumulated earnings and profits. A withholding tax equal to 30% of the gross amount of the distribution ordinarily will apply to such distribution unless an applicable tax treaty reduces or eliminates the tax. Colony NorthStar's dividends that are attributable to excess inclusion income will be subject to the 30% withholding tax, without reduction for any otherwise applicable income tax treaty. Refer to the section entitled " Requirements for Qualification Taxable Mortgage Pools." If a distribution is treated as effectively connected with the non-U.S. stockholder's conduct of a U.S. trade or business, the non-U.S. stockholder generally will be subject to U.S. federal income tax on the distribution at graduated rates, in the same manner as U.S. stockholders are taxed with respect to such distribution, and a non-U.S. stockholder that is a corporation also may be subject to the 30% branch profits tax with respect to the distribution. Colony NorthStar plans to withhold U.S. income tax at the rate of 30% on the gross amount of any such distribution paid to a non-U.S. stockholder unless either:

a lower treaty rate applies and the non-U.S. stockholder provides an IRS Form W-8BEN or W-8BEN-E to Colony NorthStar evidencing eligibility for that reduced rate; or

the non-U.S. stockholder files an IRS Form W-8ECI with Colony NorthStar claiming that the distribution is effectively connected income.

A non-U.S. stockholder will not incur tax on a distribution in excess of Colony NorthStar's current and accumulated earnings and profits if the excess portion of such distribution does not exceed the stockholder's adjusted basis of its stock. Instead, the excess portion of such distribution will reduce the adjusted basis of such stock. A non-U.S. stockholder will be subject to tax on a distribution that exceeds both Colony NorthStar's current and accumulated earnings and profits and the stockholder's adjusted basis of its stock, if the non-U.S. stockholder otherwise would be subject to tax on gain from the sale or disposition of its stock, as described below. Because Colony NorthStar generally cannot determine at the time it makes a distribution whether the distribution will exceed its current and accumulated earnings and profits, Colony NorthStar normally will withhold tax on the entire amount of any distribution at the same rate as it would withhold on a dividend. However, a non-U.S. stockholder may claim a refund of amounts that Colony NorthStar withholds if Colony NorthStar later determines that a distribution in fact exceeded Colony NorthStar's current and accumulated earnings and profits.

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If Colony NorthStar is treated as a "United States real property holding corporation," as described below, it will be required to withhold 15% of any distribution that exceeds its current and accumulated earnings and profits. Consequently, although Colony NorthStar intends to withhold at a rate of 30% on the entire amount of any distribution, to the extent that it does not do so, Colony NorthStar may withhold at a rate of 15% on any portion of a distribution not subject to withholding at a rate of 30%.

For any year in which Colony NorthStar qualifies as a REIT, a non-U.S. stockholder will incur tax on distributions that are attributable to gain from Colony NorthStar's sale or exchange of a USRPI under the Foreign Investment in Real Property Tax Act of 1980, which we refer to as FIRPTA. A USRPI includes certain interests in real property and stock in "United States real property holding corporations," which are corporations at least 50% of whose assets consist of interests in real property. Under FIRPTA, a non-U.S. stockholder is taxed on distributions attributable to gain from sales of USRPIs as if such gain were effectively connected with a U.S. business of the non-U.S. stockholder. A non-U.S. stockholder thus would be taxed on such a distribution at the normal capital gains rates applicable to U.S. stockholders, subject to applicable alternative minimum tax and a special alternative minimum tax in the case of a nonresident alien individual. A non-U.S. corporate stockholder not entitled to treaty relief or exemption also may be subject to the 30% branch profits tax on such a distribution. Colony NorthStar must withhold 35% of any distribution that it could designate as a capital gain dividend. A non-U.S. stockholder may receive a credit against its tax liability for the amount Colony NorthStar withholds.

Capital gain distributions to a non-U.S. stockholder that are attributable to Colony NorthStar's sale of real property will be treated as ordinary dividends rather than as gain from the sale of a USRPI, as long as: (i)(A) such class of Colony NorthStar stock is "regularly traded" on an established securities market in the United States; and (B) the non-U.S. stockholder did not own more than 10% of the applicable class of Colony NorthStar stock at any time during the one-year period prior to the distribution; or (ii) the non-U.S. stockholder was treated as a "qualified shareholder" or "qualified foreign pension fund," as discussed below. As a result, non-U.S. stockholders owning 10% or less of the applicable class of Colony NorthStar stock that is "regularly traded" generally will be subject to withholding tax on such capital gain distributions in the same manner as they are subject to withholding tax on ordinary dividends. If a class of Colony NorthStar stock is not regularly traded on an established securities market in the United States or the non-U.S. stockholder owned more than 10% of Colony NorthStar stock at any time during the one-year period prior to the distribution, capital gain distributions that are attributable to Colony NorthStar's sale of real property would be subject to tax under FIRPTA, as described in the preceding paragraph. Moreover, if a non-U.S. stockholder disposes of Colony NorthStar stock during the 30-day period preceding a dividend payment, and such non-U.S. stockholder (or a person related to such non-U.S. stockholder) acquires or enters into a contract or option to acquire Colony NorthStar stock within 61 days of the first day of the 30-day period described above, and any portion of such dividend payment would, but for the disposition, be treated as a USRPI capital gain to such non-U.S. stockholder, then such non-U.S. stockholder shall be treated as having USRPI capital gain in an amount that, but for the disposition, would have been treated as USRPI capital gain.

Although the law is not clear on the matter, it appears that amounts Colony NorthStar designates as retained capital gains in respect of the stock held by U.S. stockholders generally should be treated with respect to non-U.S. stockholders in the same manner as actual distributions by Colony NorthStar of capital gain dividends. Under this approach, a non-U.S. stockholder would be able to offset as a credit against its U.S. federal income tax liability its proportionate share of the tax paid by Colony NorthStar on such retained capital gains, and to receive from the IRS a refund to the extent the non-U.S. stockholder's proportionate share of such tax paid by Colony NorthStar exceeds its actual

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U.S. federal income tax liability, provided that the non-U.S. stockholder furnishes required information to the IRS on a timely basis, which may require the filing of a tax return with the IRS.

A non-U.S. stockholder generally will not incur tax under FIRPTA with respect to gain realized upon a disposition of Colony NorthStar stock as long as Colony NorthStar: (i) is not a "United States real property holding corporation" during a specified testing period; or (ii) is a domestically controlled qualified investment entity. A domestically controlled qualified investment entity includes a REIT, less than 50% of the value of which is held directly or indirectly by foreign persons at all times during a specified testing period. Colony NorthStar believes that it will be a domestically controlled qualified investment entity, but because Colony NorthStar stock will be publicly traded, it cannot assure you that it in fact will be a domestically controlled qualified investment entity. However, even if Colony NorthStar were a "United States real property holding corporation" and it were not a domestically controlled qualified investment entity, a non-U.S. stockholder that owned, actually or constructively, 10% or less of the applicable class of Colony NorthStar stock at all times during a specified testing period would not incur tax under FIRPTA if that class of Colony NorthStar stock is "regularly traded" on an established securities market. Because Colony NorthStar expects that its common and preferred stock will be regularly traded on an established securities market, a non-U.S. stockholder will not incur tax under FIRPTA with respect to any such gain unless it owns, actually or constructively, more than 10% of the applicable class of Colony NorthStar stock. If the gain on the sale of Colony NorthStar stock were taxed under FIRPTA, a non-U.S. stockholder would be taxed in the same manner as U.S. stockholders with respect to such gain, subject to applicable alternative minimum tax or a special alternative minimum tax in the case of nonresident alien individuals. Furthermore, a non-U.S. stockholder will incur tax on gain not subject to FIRPTA if: (i) the gain is effectively connected with the non-U.S. stockholder's U.S. trade or business, in which case the non-U.S. stockholder will be subject to the same treatment as U.S. stockholders with respect to such gain; or (ii) the non-U.S. stockholder is a nonresident alien individual who was present in the United States for 183 days or more during the taxable year and has a "tax home" in the United States, in which case the non-U.S. stockholder will incur a 30% tax on his capital gains.

Qualified Shareholders

Subject to the exception discussed below, any distribution to a "qualified shareholder," as defined below, who holds Colony NorthStar stock directly or indirectly (through one or more partnerships) will not be subject to U.S. tax as income effectively connected with a U.S. trade or business and thus will not be subject to special withholding rules under FIRPTA. While a "qualified shareholder" will not be subject to FIRPTA withholding on REIT distributions, certain investors of a "qualified shareholder" (*i.e.*, non-U.S. persons who hold interests in the "qualified shareholder" (other than interests solely as a creditor), and hold more than 10% of Colony NorthStar stock (whether or not by reason of the investor's ownership in the "qualified shareholder")) may be subject to FIRPTA withholding.

In addition, a sale of Colony NorthStar stock by a "qualified shareholder" who holds such stock directly or indirectly (through one or more partnerships) will not be subject to U.S. federal income taxation under FIRPTA. As with distributions, certain investors of a "qualified shareholder" (*i.e.*, non-U.S. persons who hold interests in the "qualified shareholder" (other than interests solely as a creditor), and hold more than 10% of Colony NorthStar stock (whether or not by reason of the investor's ownership in the "qualified shareholder")) may be subject to FIRPTA withholding on a sale of Colony NorthStar stock.

A "qualified shareholder" is a foreign person that: (i) either is eligible for the benefits of a comprehensive income tax treaty which includes an exchange of information program and whose principal class of interests is listed and regularly traded on one or more recognized stock exchanges (as

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defined in such comprehensive income tax treaty), or is a foreign partnership that is created or organized under foreign law as a limited partnership in a jurisdiction that has an agreement for the exchange of information with respect to taxes with the United States and has a class of limited partnership units representing greater than 50% of the value of all the partnership units that are regularly traded on the NYSE or NASDAQ markets; (ii) is a qualified collective investment vehicle, as defined below; and (iii) maintains records on the identity of each person who, at any time during the foreign person's taxable year, is the direct owner of 5% or more of the class of interests or units, as applicable, described in (i), above.

A qualified collective investment vehicle is a foreign person that: (i) would be eligible for a reduced rate of withholding under the comprehensive income tax treaty described above, even if such entity holds more than 10% of the stock of such REIT; (ii) is publicly traded, is treated as a partnership under the Code, is a withholding foreign partnership, and would be treated as a "United States real property holding corporation" if it were a domestic corporation; or (iii) is designated as such by the Secretary of the Treasury and is either (A) fiscally transparent within the meaning of section 894 or (B) required to include dividends in its gross income, but is entitled to a deduction for distributions to its investors.

Qualified Foreign Pension Funds

Any distribution to a "qualified foreign pension fund" (or an entity all of the interests of which are held by a "qualified foreign pension fund") who holds Colony NorthStar stock directly or indirectly (through one or more partnerships) will not be subject to U.S. tax as income effectively connected with a U.S. trade or business and thus will not be subject to special withholding rules under FIRPTA. In addition, a sale of Colony NorthStar stock by a "qualified foreign pension fund" that holds such stock directly or indirectly (through one or more partnerships) will not be subject to U.S. federal income taxation under FIRPTA.

A qualified foreign pension fund is any trust, corporation or other organization or arrangement: (i) which is created or organized under the law of a country other than the United States; (ii) which is established to provide retirement or pension benefits to participants or beneficiaries that are current or former employees (or persons designated by such employees) of one or more employers in consideration for services rendered; (iii) which does not have a single participant or beneficiary with a right to more than 5% of its assets or income; (iv) which is subject to government regulation and provides annual information reporting about its beneficiaries to the relevant tax authorities in the country in which it is established or operates; and (v) with respect to which, under the laws of the country in which it is established or operates, (A) contributions to such organization or arrangement that would otherwise be subject to tax under such laws are deductible or excluded from the gross income of such entity or taxed at a reduced rate or (B) taxation of any investment income of such organization or arrangement is deferred or such income is taxed at a reduced rate.

FATCA Withholding

Under the Foreign Account Tax Compliance Act, which we refer to as FATCA, a U.S. withholding tax at a 30% rate will be imposed on dividends paid on Colony NorthStar stock received by certain non-U.S. stockholders if certain disclosure requirements related to U.S. accounts or ownership are not satisfied. In addition, if those disclosure requirements are not satisfied, a U.S. withholding tax at a 30% rate will be imposed on proceeds from the sale of Colony NorthStar stock received after December 31, 2018 by certain non-U.S. stockholders. If payment of withholding taxes is required, non-U.S. stockholders that are otherwise eligible for an exemption from, or reduction of, U.S. withholding taxes with respect to such dividends and proceeds will be required to seek a refund from

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the IRS to obtain the benefit of such exemption or reduction. Colony NorthStar will not pay any additional amounts in respect of any amounts withheld.

Information Reporting Requirements and Backup Withholding; Shares Held Offshore

Colony NorthStar will report to its stockholders and to the IRS the amount of distributions it pays during each calendar year, and the amount of tax it withholds, if any. Under the backup withholding rules, a stockholder may be subject to backup withholding at a rate of 28% with respect to distributions unless the holder:

is a corporation or qualifies for certain other exempt categories and, when required, demonstrates this fact; or

provides a taxpayer identification number, certifies as to no loss of exemption from backup withholding, and otherwise complies with the applicable requirements of the backup withholding rules.

A stockholder who does not provide Colony NorthStar with its correct taxpayer identification number also may be subject to penalties imposed by the IRS. Any amount paid as backup withholding will be creditable against the stockholder's income tax liability. In addition, Colony NorthStar may be required to withhold a portion of capital gain distributions to any stockholders who fail to certify their non-foreign status to Colony NorthStar.

Backup withholding will generally not apply to payments of dividends made by Colony NorthStar or its paying agents, in their capacities as such, to a non-U.S. stockholder, provided that the non-U.S. stockholder furnishes to Colony NorthStar or its paying agent the required certification as to its non-U.S. status, such as providing a valid IRS Form W-8BEN, W-8BEN-E or W-8ECI, or certain other requirements are met. Notwithstanding the foregoing, backup withholding may apply if either Colony NorthStar or its paying agent has actual knowledge, or reason to know, that the holder is a U.S. person that is not an exempt recipient. Payments of the net proceeds from a disposition or a redemption effected outside the United States by a non-U.S. stockholder made by or through a foreign office of a broker generally will not be subject to information reporting or backup withholding. However, information reporting (but not backup withholding) generally will apply to such a payment if the broker has certain connections with the U.S. unless the broker has documentary evidence in its records that the beneficial owner is a non-U.S. stockholder and specified conditions are met or an exemption is otherwise established. Payment of the net proceeds from a disposition by a non-U.S. stockholder of Colony NorthStar stock made by or through the U.S. office of a broker is generally subject to information reporting and backup withholding unless the non-U.S. stockholder certifies under penalties of perjury that it is not a U.S. person and satisfies certain other requirements or otherwise establishes an exemption from information reporting and backup withholding.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be refunded or credited against the stockholder's U.S. federal income tax liability if certain required information is furnished to the IRS. Stockholders are urged to consult their own tax advisors regarding application of backup withholding to them and the availability of, and procedure for obtaining an exemption from, backup withholding.

Under FATCA, a U.S. withholding tax at a 30% rate will be imposed on dividends paid on Colony NorthStar stock received by U.S. stockholders who own their stock through foreign accounts or foreign intermediaries if certain disclosure requirements related to U.S. accounts or ownership are not satisfied. In addition, if those disclosure requirements are not satisfied, a U.S. withholding tax at a 30% rate will be imposed on proceeds from the sale of Colony NorthStar stock received after December 31,

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2018 by U.S. stockholders who own their shares through foreign accounts or foreign intermediaries. Colony NorthStar will not pay any additional amounts in respect of any amounts withheld.

Other Tax Consequences

Tax Aspects of Colony NorthStar's Investments in the Colony NorthStar Operating Partnership and the Subsidiary Partnerships

The following discussion summarizes certain U.S. federal income tax considerations applicable to Colony NorthStar's direct or indirect investments in Colony NorthStar's operating partnership and any subsidiary partnerships or limited liability companies that Colony NorthStar forms or acquires and that it intends to treat as partnerships for U.S. federal income tax purposes, which we refer to, individually, as a Partnership and, collectively, as the Partnerships. The discussion does not cover state or local tax laws or any federal tax laws other than income tax laws.

Classification as Partnerships. Colony NorthStar is entitled to include in its income its distributive share of each Partnership's income and to deduct its distributive share of each Partnership's losses only if such Partnership is classified for U.S. federal income tax purposes as a partnership (or an entity that is disregarded for U.S. federal income tax purposes if the entity has only one owner or member) rather than as a corporation or an association taxable as a corporation. An unincorporated entity with at least two owners or members will be classified as a partnership, rather than as a corporation, for U.S. federal income tax purposes if it:

is treated as a partnership under the Treasury regulations relating to entity classification or the check-the-box regulations, as described below; and

is not a "publicly traded" partnership, as defined below.

Under the check-the-box regulations, an unincorporated entity with at least two owners or members may elect to be classified either as an association taxable as a corporation or as a partnership. If such an entity fails to make an election, it generally will be treated as a partnership (or an entity that is disregarded for U.S. federal income tax purposes if the entity has only one owner or member) for U.S. federal income tax purposes. Each Partnership intends to be classified as a partnership for U.S. federal income tax purposes and no Partnership will elect to be treated as an association taxable as a corporation under the check-the-box regulations.

A publicly traded partnership is a partnership whose interests are traded on an established securities market or are readily tradable on a secondary market or the substantial equivalent thereof. A publicly traded partnership will not, however, be treated as a corporation for any taxable year if, for each taxable year beginning after December 31, 1987 in which it was classified as a publicly traded partnership, 90% or more of the partnership's gross income for such year consists of certain passive-type income, including real property rents, gains from the sale or other disposition of real property, interest and dividends, or the 90% passive income exception. Treasury regulations, or the PTP regulations, provide additional limited safe harbors from the definition of a publicly traded partnership. Pursuant to one of those safe harbors, or the private placement exclusion, interests in a partnership will not be treated as readily tradable on a secondary market or the substantial equivalent thereof if: (i) all interests in the partnership were issued in a transaction or transactions that were not required to be registered under the Securities Act; and (ii) the partnership does not have more than 100 partners at any time during the partnership's taxable year. In determining the number of partners in a partnership, a person owning an interest in a partnership, grantor trust or S corporation that owns an interest in the partnership is treated as a partner in such partnership only if: (i) substantially all of the value of the owner's interest in the entity is attributable to the entity's direct or indirect interest in the partnership;

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and (ii) a principal purpose of the use of the entity is to permit the partnership to satisfy the 100-partner limitation. Each Partnership is expected to qualify for treatment as a partnership for U.S. federal income tax purposes pursuant to the 90% passive income exception or the private placement exclusion. Colony NorthStar has not requested, and does not intend to request, a ruling from the IRS that the Partnerships will be classified as partnerships for U.S. federal income tax purposes.

If, for any reason, a Partnership in which Colony NorthStar owned more than 10% of the equity were taxable as a corporation, rather than as a partnership, for U.S. federal income tax purposes, Colony NorthStar likely would not be able to qualify as a REIT unless it qualified for certain relief provisions. Refer to the sections entitled " Requirements for Qualification Gross Income Tests" and " Requirements for Qualification Asset Tests." In addition, any change in a Partnership's status for tax purposes might be treated as a taxable event, in which case Colony NorthStar might incur tax liability without any related cash distribution. Refer to the section entitled " Requirements for Qualification Distribution Requirements." Further, items of income and deduction of such Partnership would not pass through to its partners, and its partners would be treated as stockholders for tax purposes. Consequently, such Partnership would be required to pay income tax at corporate rates on its net income and distributions to its partners would constitute dividends that would not be deductible in computing such Partnership's taxable income.

Income Taxation of the Partnerships and their Partners

Partners, Not the Partnerships, Subject to Tax. A partnership generally is not a taxable entity for U.S. federal income tax purposes. Rather, Colony NorthStar is required to take into account its allocable share of each Partnership's income, gains, losses, deductions and credits for any taxable year of such Partnership ending within or with Colony NorthStar's taxable year, without regard to whether Colony NorthStar has received or will receive any distribution from such Partnership. For taxable years beginning after December 31, 2017, however, the tax liability for adjustments to a Partnership's tax returns made as a result of an audit by the IRS will be imposed on the Partnership itself in certain circumstances absent an election to the contrary.

Partnership Allocations. Although a partnership agreement generally will determine the allocation of income and losses among partners, such allocations will be disregarded for tax purposes if they do not comply with the provisions of the U.S. federal income tax laws governing partnership allocations. If an allocation is not recognized for U.S. federal income tax purposes, the item subject to the allocation will be reallocated in accordance with the partners' interests in the partnership, which will be determined by taking into account all of the facts and circumstances relating to the economic arrangement of the partners with respect to such item. Each Partnership's allocations of taxable income, gain and loss are intended to comply with the requirements of the U.S. federal income tax laws governing partnership allocations.

Tax Allocations With Respect to Contributed Properties. Income, gain, loss and deduction attributable to appreciated or depreciated property that is contributed to a partnership in a tax-deferred transaction or contributed property in exchange for an interest in the partnership must be allocated in a manner such that the contributing partner is charged with, or benefits from, respectively, the unrealized gain or unrealized loss associated with the property at the time of the contribution. The amount of such unrealized gain or unrealized loss, or built-in gain or built-in loss, respectively, is generally equal to the difference between the fair market value of the contributed property at the time of contribution and the adjusted tax basis of such property at the time of contribution, or a book-tax difference. Such allocations are solely for U.S. federal income tax purposes and do not affect the book capital accounts or other economic or legal arrangements among the partners. The U.S. Treasury Department has issued regulations requiring partnerships to use a "reasonable method" for allocating

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items with respect to which there is a book-tax difference and outlining several reasonable allocation methods.

Basis in Partnership Interest. Colony NorthStar's adjusted tax basis in any Partnership generally is equal to:

the amount of cash and the basis of any other property contributed by Colony NorthStar to the Partnership;

increased by Colony NorthStar's allocable share of the Partnership's income and its allocable share of indebtedness of the Partnership; and

reduced, but not below zero, by Colony NorthStar's allocable share of the Partnership's loss and the amount of cash distributed to Colony NorthStar and by constructive distributions resulting from a reduction in Colony NorthStar's share of indebtedness of the Partnership.

If the allocation of Colony NorthStar's distributive share of the Partnership's loss would reduce the adjusted tax basis of Colony NorthStar's partnership interest below zero, the recognition of such loss will be deferred until such time as the recognition of such loss would not reduce Colony NorthStar's adjusted tax basis below zero. To the extent that the Partnership's distributions or any decrease in Colony NorthStar's share of the indebtedness of the Partnership, which is considered a constructive cash distribution to the partners, reduce Colony NorthStar's adjusted tax basis below zero, such distributions will constitute taxable income to Colony NorthStar. Such distributions and constructive distributions normally will be characterized as long-term capital gain.

Depreciation Deductions Available to Partnerships. The initial tax basis of property is the amount of cash and the basis of property given as consideration for the property. The Partnership's initial basis in contributed properties acquired in exchange for units of the Partnership should be the same as the transferor's basis in such properties on the date of acquisition. Although the law is not entirely clear, the Partnership generally will depreciate such property for U.S. federal income tax purposes over the same remaining useful lives and under the same methods used by the transferors. The Partnership's tax depreciation deductions will be allocated among the partners in accordance with their respective interests in the Partnership, except to the extent that the Partnership is required under the U.S. federal income tax laws governing partnership allocations to use a method for allocating tax depreciation deductions attributable to contributed or revalued properties that results in Colony NorthStar receiving a disproportionate share of such deductions.

Sale of a Partnership's Property

Generally, any gain realized by a Partnership on the sale of property held by the Partnership for more than one year will be long-term capital gain, except for any portion of such gain that is treated as depreciation or cost recovery recapture. Any gain or loss recognized by a Partnership on the disposition of contributed properties will be allocated first to the partners of the Partnership who contributed such properties to the extent of their built-in gain or loss on those properties for U.S. federal income tax purposes. The partners' built-in gain or loss on such contributed properties will equal the difference between the partners' proportionate share of the book value of those properties and the partners' tax basis allocable to those properties at the time of the contribution. Any remaining gain or loss recognized by the Partnership on the disposition of the contributed properties, and any gain or loss recognized by the Partnership on the disposition of the other properties, will be allocated among the partners in accordance with their respective percentage interests in the Partnership.

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Colony NorthStar's share of any gain realized by a Partnership on the sale of any property held by the Partnership as inventory or other property held primarily for sale to customers in the ordinary course of the Partnership's trade or business will be treated as income from a prohibited transaction that is subject to a 100% penalty tax. Such prohibited transaction income also may have an adverse effect upon Colony NorthStar's ability to satisfy the income tests for REIT status. Refer to the section entitled " Requirements for Qualification Gross Income Tests." Colony NorthStar, however, does not presently intend to acquire or hold or to allow any Partnership to acquire or hold any property that represents inventory or other property held primarily for sale to customers in the ordinary course of Colony NorthStar's or such Partnership's trade or business.

Legislative or Other Actions Affecting REITs

The present U.S. federal income tax treatment of REITs may be modified, possibly with retroactive effect, by legislative, judicial or administrative action at any time. The REIT rules are constantly under review by persons involved in the legislative process and by the IRS and the U.S. Treasury Department, which may result in statutory changes as well as revisions to regulations and interpretations. Additionally, several of the tax considerations described herein are currently under review and are subject to change. Prospective stockholders are urged to consult with their own tax advisors regarding the effect of potential changes to the federal tax laws on an investment in Colony NorthStar stock.

Several REIT rules were recently amended under the Protecting Americans from Tax Hikes Act of 2015, which we refer to as the PATH Act, which was enacted on December 18, 2015. These rules were enacted with varying effective dates, some of which are retroactive. Investors should consult with their tax advisors regarding the effect of the PATH Act in their particular circumstances.

State, Local and Foreign Taxes

Colony NorthStar and/or you may be subject to taxation by various states, localities and foreign jurisdictions, including those in which Colony NorthStar or a stockholder transacts business, owns property or resides. The state, local and foreign tax treatment may differ from the U.S. federal income tax treatment described above. Consequently, you are urged to consult your tax advisors regarding the effect of state, local and foreign tax laws upon an investment in Colony NorthStar stock.

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THE MERGER AGREEMENT

This section describes the material provisions of the merger agreement, which is attached as Annex A to this joint proxy statement/prospectus and is incorporated herein by reference.

This summary may not contain all of the information about the merger agreement that is important to you. Each of the Companies urges you to read carefully the full text of the merger agreement because it is the principal document that governs the Mergers and related transactions contemplated by the merger agreement. The merger agreement is not intended to provide you with any factual information about any of the Companies, the other parties thereto or any of their respective subsidiaries. In particular, the assertions embodied in the representations and warranties contained in the merger agreement (and summarized below) are qualified by information that each of the Companies had filed with the SEC prior to the date of the merger agreement, as well as by certain disclosure letters that each of the Companies delivered to the other Companies at the time the merger agreement was executed. The disclosure letters modify, qualify and create exceptions to certain representations, warranties and covenants or obligations that are set forth in the merger agreement. Some of those representations, warranties and covenants or obligations: (i) may not be accurate or complete as of any specified date; (ii) may apply contractual standards of materiality in a way that is different from what may be viewed as material by investors or from standards of materiality generally applicable under the U.S. federal securities laws; and (iii) may not be intended as statements of fact, but rather as a way of allocating risk among the parties to the merger agreement.

Accordingly, the representations, warranties and covenants or obligations and other provisions of the merger agreement and the description of such provisions in this joint proxy statement/prospectus should not be read alone but instead should be read in conjunction with the other information contained in the reports, statements and filings that each of the Companies files with the SEC and the other information in this joint proxy statement/prospectus. Refer to the section entitled "Where You Can Find More Information; Incorporation by Reference" beginning on page 420 of this joint proxy statement/prospectus.

The rights and obligations of the parties to the merger agreement are governed by the express terms and conditions of the merger agreement and not by this summary or any other information contained in this joint proxy statement/prospectus. This summary is qualified in its entirety by reference to the merger agreement.

The Mergers and Related Transactions

The terms and conditions of the Mergers and certain other transactions are contained in the merger agreement, a copy of which is attached to this joint proxy statement/prospectus as Annex A. On each of July 28, 2016 and October 16, 2016, the parties to the merger agreement entered into a separate letter agreement to reflect revised forms of Colony NorthStar's charter and bylaws, which forms of charter and bylaws are attached as Annexes B and C, respectively, to this joint proxy statement/prospectus, and to make certain other amendments to the merger agreement, including to provide that the number of members of the Colony NorthStar board as of the consummation of the Mergers shall be 10 and to increase the special cash dividend that NSAM is permitted to declare prior to the closing of the Mergers for payment to its stockholders from \$128 million to \$228 million. A copy of each letter agreement is included as part of Annex A attached to this joint proxy statement/prospectus. We encourage you to read the merger agreement carefully and in its entirety, as it is the principal document that governs the Mergers and related transactions contemplated by the merger agreement.

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The Reorganization Transactions

Prior to the effective time of the NRF merger and Colony merger, each of NSAM and NRF will engage in certain reorganization transactions, which are described below.

The Redomestication Merger

Upon the terms and subject to the satisfaction or waiver of the conditions of the merger agreement and in accordance with Section 253 of the DGCL and Section 3-101, et seq. of the MGCL, NSAM will merge with and into Colony NorthStar with Colony NorthStar surviving the merger and continuing its corporate existence under the laws of the State of Maryland.

At the effective time of the Redomestication merger: (i) each share of NSAM common stock issued and outstanding as of immediately prior to such effective time will be automatically cancelled and converted into the right to receive one share of Colony NorthStar class A common stock; and (ii) each share of NSAM performance common stock issued and outstanding as of immediately prior to such effective time will be automatically cancelled and converted into the right to receive one share of Colony NorthStar performance common stock.

The Pre-Closing NSAM Dividend

Prior to the closing of the Mergers, the NSAM board or a duly authorized committee thereof is expected to declare a dividend in cash in respect of the shares of NSAM common stock in an aggregate amount of \$228 million to be paid prior to, as of or after the closing of the Mergers, to the common stockholders of NSAM as of a record date prior to the effective time of the Redomestication merger. Such dividend would be paid on or following January 1, 2017.

The NRF Reorganization Transactions

Upon the terms and subject to the satisfaction or waiver of the conditions of the merger agreement, NRF will engage in certain internal reorganization transactions, including the merger of NRF LP with and into NRF, with NRF surviving the merger, and the merger of New Parent Merger Sub with and into NRF, with NRF surviving the merger. The principal result of the NRF reorganization transactions is to convert the outstanding ownership interests of NRF's operating partnership, NRF LP, that are not already held by NRF, into NRF common stock and to create a new holding company, New NRF Parent, for NRF. These transactions are described below.

NRF LP Merger

Upon the terms and subject to the satisfaction or waiver of the conditions of the merger agreement and in accordance with the Delaware Limited Liability Company Act, which we refer to as the DLLCA, and the Delaware Revised Uniform Limited Partnership Act, which we refer to as the DRULPA, NRF OP Merger Sub will merge with and into NRF LP, with NRF LP surviving the merger and continuing its existence as a limited partnership under the laws of the State of Delaware. The merger agreement provides that the NRF LP merger will occur before the NRF LP upstream merger described below.

At the effective time of the NRF LP merger:

each NRF LTIP unit outstanding as of immediately prior to such effective time will be deemed to be fully vested and converted into one share of NRF common stock;

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each NRF LP common unit outstanding as of immediately prior to such effective time (other than those held by NRF) will be converted into the right to receive one share of NRF common stock; and

each other interest in NRF LP held by NRF will remain issued and outstanding.

As a result of the NRF LP merger, NRF will become the sole unitholder of NRF LP.

NRF LP Upstream Merger

Immediately following the NRF LP merger, upon the terms and subject to the satisfaction or waiver of the conditions of the merger agreement and in accordance with the MGCL and DRULPA, NRF LP will merge with and into NRF, which we refer to as the NRF LP upstream merger, with NRF surviving the merger and continuing its existence as a corporation under the laws of the State of Maryland. As noted above, at the time of the NRF LP upstream merger, NRF will be the sole unitholder of NRF LP. The merger agreement provides that the NRF LP upstream merger will occur after the NRF LP merger and before the New NRF Holdco merger.

At the effective time of the NRF LP upstream merger, each interest in NRF LP outstanding as of immediately prior to such effective time will no longer be outstanding and will be automatically cancelled.

New NRF Holdco Merger

Immediately following the NRF LP upstream merger, upon the terms and subject to the satisfaction or waiver of the conditions of the merger agreement and in accordance with the DLLCA and MGCL, New Parent Merger Sub will merge with and into NRF, with NRF surviving the merger, which we refer to as the New NRF Holdco surviving corporation, and continuing its corporate existence under the laws of the State of Maryland. The merger agreement provides that the New NRF Holdco merger will occur immediately after the NRF LP upstream merger and before the LLC conversion.

At the effective time of the New NRF Holdco merger:

each share of NRF common stock issued and outstanding as of immediately prior to such effective time will be automatically cancelled and converted into the right to receive one share of New NRF Parent common stock; and

each share of NRF series A, B, C, D and E preferred stock issued and outstanding as of immediately prior to such effective time will be automatically cancelled and converted into the right to receive one share of New NRF Parent series A, B, C, D and E preferred stock, respectively. Each series of New NRF Parent preferred stock will have substantially the same preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends, qualifications and terms and conditions of redemption as the corresponding series of NRF preferred stock.

At the effective time of the New NRF Holdco merger, each issued and outstanding share of common stock of New Parent Merger Sub will be converted into the right to receive one share of common stock of the New NRF Holdco surviving corporation.

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Other NRF Reorganization Transactions

Immediately following the New NRF Holdco merger, upon the terms and subject to the satisfaction or waiver of the conditions of the merger agreement and in accordance with the MGCL and the Maryland Limited Liability Company Act, which we refer to as the MDLLCA, NRF and New NRF Parent will cause NRF to be converted into a limited liability company organized under the laws of the State of Maryland, which we refer to as NRF LLC. The merger agreement provides that the LLC conversion will occur after the New NRF Holdco merger and before the NRF merger. At the effective time of the LLC conversion, each share of the New NRF Holdco surviving corporation will cease to exist as stock in the New NRF Holdco surviving corporation and will convert into one membership unit in NRF LLC.

Immediately following the LLC conversion, and prior to the NRF merger, NRF LLC will assign to New NRF Parent all of NRF LLC's right, title and interest in and obligations with respect to the NRF management agreement, which we refer to as the NRF management agreement assignment.

The NRF Merger and the Colony Merger

Immediately following the reorganization transactions described above, the NRF merger and Colony merger will occur in that order. Pursuant to the merger agreement, each of the Mergers and related transactions contemplated by the merger agreement to be completed at closing will occur only if all of such transactions are completed at closing.

The NRF Merger

Upon the terms and subject to the satisfaction or waiver of the conditions of the merger agreement and in accordance with the MGCL, New NRF Parent will merge with and into Colony NorthStar with Colony NorthStar surviving the merger and continuing its corporate existence under the laws of the State of Maryland. The merger agreement provides that the NRF merger will occur after the latest to occur of the Redomestication merger, the New NRF Holdco merger and the NRF management agreement assignment.

At the effective time of the NRF merger:

each share of New NRF Parent common stock issued and outstanding as of immediately prior to such effective time (including any right to receive such shares pursuant to the New NRF Holdco merger) will be automatically cancelled and converted into the right to receive 1.0996 shares of Colony NorthStar class A common stock; and

each share of New NRF Parent series A, B, C, D and E preferred stock issued and outstanding immediately prior to such effective time will be automatically cancelled and converted into the right to receive one share of Colony NorthStar series A, B, C, D and E preferred stock, respectively. Colony NorthStar series A, B, C, D and E preferred stock will have substantially the same preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends, qualifications and terms and conditions of redemption as the corresponding series of New NRF Parent preferred stock.

Any shares of New NRF Parent common stock or preferred stock that are owned by the Companies or any of their direct or indirect wholly owned subsidiaries (and not held on behalf of third parties) will be cancelled and cease to exist and will not be entitled to receive any merger consideration in connection with the Mergers.

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The NRF exchange ratio will be adjusted proportionately to reflect the effect of certain events described in the merger agreement that occur after the date of the merger agreement and prior to the effective time of the NRF merger including, for example, if NRF paid a dividend in excess of the \$0.40 per share for a calendar quarter that NRF has paid historically.

The Colony Merger

Immediately following the NRF merger, upon the terms and subject to the satisfaction or waiver of the conditions of the merger agreement and in accordance with the MGCL, Colony will merge with and into Colony NorthStar with Colony NorthStar surviving the merger and continuing its corporate existence under the laws of the State of Maryland. The merger agreement provides that the Colony merger will become effective immediately after the effective time of the NRF merger.

At the effective time of the Colony merger:

each share of Colony class A common stock issued and outstanding immediately prior to such effective time will be automatically cancelled and converted into the right to receive 1.4663 shares of Colony NorthStar class A common stock;

each share of Colony class B common stock issued and outstanding immediately prior to such effective time will be automatically cancelled and converted into the right to receive 1.4663 shares of Colony NorthStar class B common stock;
and

each share of Colony series A, B and C preferred stock issued and outstanding immediately prior to such effective time will be automatically cancelled and converted into the right to receive one share of Colony NorthStar series F, G and H preferred stock, respectively. Colony NorthStar series F, G and H preferred stock will have substantially the same preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends, qualifications and terms and conditions of redemption as the corresponding series of Colony preferred stock.

Any shares of Colony common stock or preferred stock that are owned by the Companies or any of their direct or indirect wholly owned subsidiaries (and not held on behalf of third parties) will be cancelled and cease to exist and will not be entitled to receive any merger consideration in connection with the Mergers.

The Colony class A exchange ratio and Colony class B exchange ratio will be adjusted proportionately to reflect the effect of certain events described in the merger agreement that occur after the date of the merger agreement and prior to the effective time of the Colony merger, including, for example, if Colony paid a dividend in excess of the \$0.40 per share for a calendar quarter that Colony has paid historically.

The Integration Transactions

Immediately following the Colony merger, Colony NorthStar and its subsidiaries will engage in certain integration transactions, including the consolidation of NSAM LP and Colony OP through NSAM's contribution of its historic NRF and NSAM Jersey business and assets to Colony OP, followed by the combination of NSAM LP with Colony OP with Colony OP surviving; and to the extent determined by the parties, Colony OP will then contribute or cause to be contributed to one or more taxable REIT subsidiaries certain non-qualifying REIT assets.

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Treatment of NSAM and Colony NorthStar Equity Awards and NSAM LTIP Units

At the effective time of the Redomestication merger, each outstanding NSAM equity award will be assumed by Colony NorthStar and converted into a Colony NorthStar equity award having the same terms and conditions as those of the corresponding NSAM equity award immediately prior to the Redomestication merger and the NSAM stock plans will be assumed by Colony NorthStar.

At the effective time of the NRF merger, each outstanding Colony NorthStar equity award will be treated in connection with the consummation of the NRF merger in accordance with the terms set forth in the applicable NSAM stock plans and/or award agreements, including any applicable accelerated vesting and forfeiture provisions. To the extent any such Colony NorthStar equity award vests in connection with the consummation of the NRF merger, the holder thereof will be entitled to that number of shares of Colony NorthStar class A common stock represented by such vested Colony NorthStar equity award immediately prior to the effective time of the NRF merger (subject to withholding requirements). With respect to any Colony NorthStar equity award that is subject to performance-based vesting conditions and is eligible to vest in connection with the consummation of the NRF merger in accordance with its terms, any portion of such Colony NorthStar equity award that does not vest after giving effect to any vesting that occurs in connection with the consummation of the NRF merger in accordance with the applicable terms of such Colony NorthStar equity award, will immediately and automatically be forfeited for no consideration. Each Colony NorthStar equity award that is outstanding immediately prior to the effective time of the NRF merger that does not vest (and is not forfeited) in connection with the consummation of the NRF merger by its terms will remain outstanding following the effective time of the NRF merger and will continue to have, and will be subject to, the same terms and conditions as those of such Colony NorthStar equity award, as applicable, immediately prior to the effective time of the NRF merger.

At the effective time of the NRF merger, each NSAM LTIP unit will be treated in connection with the consummation of the NRF merger in accordance with its terms and the terms of the NSAM LP limited partnership agreement, including any accelerated vesting and forfeiture provisions. To the extent that any such NSAM LTIP unit vests in connection with the consummation of the NRF merger, the holders of such vested NSAM LTIP units will be permitted to convert each such NSAM LTIP unit into a share of Colony NorthStar class A common stock in accordance with its terms and the terms of the NSAM LP limited partnership agreement. Each NSAM LTIP unit that is outstanding immediately prior to the effective time of the NRF merger and is not converted by the holder thereof into a share of Colony NorthStar class A common stock will remain outstanding and will continue to have, and will be subject to, the same terms and conditions as those that applied prior to the effective time of the NRF merger.

At or prior to the effective time of the NRF merger, Colony NorthStar, the Colony NorthStar board and the compensation committee of the NSAM board, as applicable, will adopt any resolutions and take any actions that are necessary to effectuate the treatment of the Colony NorthStar equity awards and NSAM LTIP units pursuant to the merger agreement.

Treatment of Colony Equity Awards and Colony LTIP Units

At the effective time of the Colony merger, each outstanding Colony equity award will be treated in connection with the consummation of the Colony merger in accordance with the terms set forth in the applicable Colony stock plans and/or award agreements, including any accelerated vesting and forfeiture provisions. To the extent any such Colony equity award vests in connection with the consummation of the Colony merger, the holder thereof will be entitled to that number of shares of Colony class A or class B common stock, as applicable, represented by such vested Colony equity

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award (subject to withholding requirements), which shares will be treated as issued and outstanding shares of Colony class A or class B common stock, as applicable, in accordance with merger agreement provisions governing the Colony merger. Each Colony equity award that is outstanding immediately prior to the effective time of the Colony merger that does not vest (and is not forfeited) in connection with the consummation of the Colony merger by its terms will be assumed by Colony NorthStar and will be converted into the right to receive an award in the same form for that number of shares of Colony NorthStar class A common stock (rounded down to the nearest whole share) equal to the product of: (i) the number of shares of Colony class A common stock subject to such unvested Colony equity award multiplied by (ii) the Colony class A exchange ratio.

At the effective time of the Colony merger, each Colony LTIP unit will be treated in connection with the consummation of the Colony merger in accordance with its terms and the limited liability company agreement of Colony OP, including any accelerated vesting provisions. To the extent that any such Colony LTIP unit vests in connection with the consummation of the Colony merger, on the effective time of the Colony merger the holders of Colony LTIP units will be permitted to convert each such Colony LTIP unit into a share of Colony class A or class B common stock, as applicable.

Prior to the effective time of the Colony merger, Colony, the Colony board and the compensation committee of the Colony board, as applicable, will adopt any resolutions and take any actions that are necessary to effectuate the treatment of the Colony equity awards pursuant to the merger agreement.

Treatment of NRF Equity Awards and NRF LTIP Units

In connection with NRF's internal reorganization transactions, all of the outstanding NRF LTIP units will be fully vested and converted into an equal number of shares of NRF common stock, each NRF equity award will be assumed by New NRF Parent and will be converted into the right to receive a New NRF Parent equity award having the same terms and conditions as those of the corresponding NRF equity award and the NRF stock plan will be assumed by New NRF Parent.

At the effective time of the NRF merger, each outstanding New NRF Parent equity award will be treated in connection with the consummation of the NRF merger in accordance with the terms set forth in the applicable NRF stock plan and/or award agreements, including any applicable accelerated vesting and forfeiture provisions. Subject to the below limitation on the aggregate NRF awards, to the extent any such New NRF Parent equity award vests in connection with the consummation of the NRF merger in accordance with its terms, the holder thereof will be entitled to and will be deemed to have received immediately prior to the effective time of the NRF merger that number of shares of New NRF Parent common stock represented by such vested New NRF Parent equity award immediately prior to the effective time of the NRF merger (less shares retained for tax withholding), which shares of New NRF Parent common stock will be treated as issued and outstanding shares of New NRF Parent common stock in accordance with merger agreement provisions governing the NRF merger. With respect to any New NRF Parent equity award that is subject to performance-based vesting conditions and is eligible to vest in connection with the consummation of the NRF merger in accordance with its terms, any portion of such New NRF Parent equity award that does not vest after giving effect to any vesting that occurs in connection with the consummation of the NRF merger in accordance with the applicable terms of such New NRF Parent equity award will immediately and automatically be forfeited for no consideration. Each New NRF Parent equity award that is outstanding immediately prior to the effective time of the NRF merger that does not vest (and is not forfeited) in connection with the consummation of the NRF merger by its terms will be assumed by Colony NorthStar and will be converted into the right to receive an award in the same form for that number of shares of Colony NorthStar class A common stock (rounded down to the nearest whole share) equal to

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the product of: (i) the number of shares of New NRF Parent common stock subject to such New NRF Parent unvested equity award multiplied by (ii) the NRF exchange ratio.

If the aggregate number of shares of NRF common stock and New NRF Parent common stock issuable upon conversion of NRF LTIP units (or common units of NRF LP issued upon conversion of NRF LTIP units) or pursuant to the New NRF Parent equity awards in connection with the NRF merger, which we collectively refer to as the aggregate NRF awards, would be greater than the number of shares of common stock of NRF or New NRF Parent available for issuance under the NRF stock plan and in the event the parties determine that the aggregate NRF awards cannot be settled in shares of Colony NorthStar class A common stock in accordance with applicable law (including NYSE Listing Standard 303A.08), then the number of aggregate NRF awards that will be settled in shares of NRF or New NRF Parent common stock will automatically be deemed reduced pro rata (but not below zero) by the least amount required so that number of shares of common stock of NRF or New NRF Parent issuable pursuant to the aggregate NRF awards is no longer greater than the number of available shares of common stock of NRF or New NRF Parent. Each aggregate NRF award (or portion thereof) that is no longer settled in shares of NRF or New NRF Parent common stock pursuant to the foregoing sentence will be settled in cash in accordance with the terms set forth in the applicable NRF stock plan and/or award agreement.

Prior to the effective time of the NRF merger, NRF, New NRF Parent, the NRF board, the board of directors of New NRF Parent and the compensation committee of the board of directors of New NRF Parent, as applicable, will adopt any resolutions and take any actions that are necessary to effectuate the treatment of the New NRF Parent equity awards and NRF LTIP units pursuant to the merger agreement.

Board of Directors

Prior to the completion of the Mergers, the parties will take all actions necessary so that, as of the completion of the Mergers, the Colony NorthStar board will consist of 10 members, of whom five will be designated by NSAM and NRF and five will be designated by Colony.

The Closing of the Mergers

The completion of the Mergers will occur only if all the closing conditions contained in the merger agreement have been satisfied or waived. The Mergers will be completed legally at the time the appropriate certificates or articles of merger have been duly filed with and accepted by the Secretary of State of Delaware and the State Department of Assessments and Taxation of Maryland, as applicable, or at such later time as may be agreed by the parties in writing and specified in the certificates or articles of merger. As of the date of this joint proxy statement/prospectus, the Companies expect that the closing of the Mergers will occur in January 2017. However, there can be no assurance as to when or if the Mergers or the other transactions contemplated by the merger agreement will occur.

It is intended that each of the Mergers will occur contemporaneously with the other Mergers, in the order described above. None of the Mergers, the LLC conversion or the NRF management agreement assignment will be consummated unless each of them occur in connection with the closing of the Mergers and related transactions contemplated by the merger agreement.

If the Mergers are not completed by the close of business on March 17, 2017, the Mergers may be terminated by any of the Companies, unless the Company seeking to terminate the merger agreement has failed to comply with its obligations under the merger agreement and such failure has

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been the cause of, or materially contributed to, the failure of the Mergers to occur on or before such date.

Exchange of Shares

Prior to the closing of the Mergers, Colony NorthStar will enter into an agreement with a bank or trust company, which we refer to as the exchange agent, that is reasonably acceptable to the other parties. Such agreement will outline the procedures by which Colony NorthStar will deposit with the exchange agent, at the closing of the Mergers, an aggregate number of shares of Colony NorthStar class A common stock, class B common stock, performance common stock and each series of preferred stock and cash (for payment in lieu of fractional shares of common stock), which represents the merger consideration, for the benefit of the NSAM, Colony and NRF stockholders and certain participants in the NSAM, Colony and NRF stock plans.

Promptly following the closing of the Mergers, Colony NorthStar will cause the exchange agent to mail to each holder of record of certificate(s) representing shares of NSAM, Colony and NRF, as applicable, that were converted into the right to receive the merger consideration at the closing of the Mergers:

a letter of transmittal (which will specify that delivery will be effected, and risk of loss and title to certificate(s) will pass, only upon delivery of certificate(s) (or affidavits of loss in lieu of such certificate(s)) to the exchange agent); and

instructions for use in surrendering certificate(s) for shares in exchange for the merger consideration, any cash in lieu of fractional shares of Colony NorthStar class A common stock, class B common stock or performance common stock, as applicable, to be issued or paid in consideration and any dividends or distributions to which such holder is entitled. Until such certificate(s) are surrendered in accordance with such instructions, the holder of such certificate(s) will not receive the applicable merger consideration, any cash in lieu of fractional shares or any dividends or distributions with respect to shares represented by such certificates.

For shares of NSAM, Colony and NRF common stock held in non-certificated form and represented by book-entry, which we refer to collectively as book-entry shares, holders of such book-entry shares will not be required to deliver a certificate or an executed letter of transmittal to the exchange agent, to receive the merger consideration and any dividends or distributions to which such holder is entitled. Instead, each holder of record of one or more book-entry shares whose shares of NSAM, Colony or NRF common stock were converted into the right to receive Colony NorthStar class A common stock, class B common stock or performance common stock will, upon receipt by the exchange agent of an "agent's message" in customary form (or such other evidence, if any, as the exchange agent may reasonably request), be entitled to receive and Colony NorthStar will cause the exchange agent to pay and deliver as promptly as reasonably practicable after the effective time of the Mergers, the merger consideration in respect of each such share of NSAM, Colony and NRF common stock. The holders of book-entry shares will be deemed to have surrendered such shares upon receipt by the exchange agent of such "agent's message" or such other evidence, if any, as the paying agent may reasonably request, and such book-entry shares so surrendered will forthwith be cancelled.

No Fractional Shares

No fractional shares of Colony NorthStar class A common stock, class B common stock or performance common stock will be issued in the Mergers. Any fractional interest in such shares will entitle the holder thereof to receive, in lieu of such a fractional share, cash (without interest) in an

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amount determined by multiplying the fractional share interest to which such holder would otherwise be entitled by the average daily volume weighted average price of NSAM common stock on the NYSE for the five full trading days ending on the day immediately preceding the date the Mergers are completed.

Withholding

All payments made with respect to the merger consideration will be paid without interest and net of all applicable withholding requirements.

Representations and Warranties

The merger agreement contains generally reciprocal representations and warranties for each of the Companies, except as otherwise indicated below. The representations and warranties are subject, in some cases, to specified exceptions and qualifications contained in the merger agreement, information contained in public filings with the SEC made by NSAM, Colony and NRF prior to the date of the merger agreement and information in the disclosure letters delivered by each Company to the other Companies at the time of the merger agreement.

Each of the Companies makes representations and warranties with respect to itself and its business regarding, among other things:

organization, standing and corporate or other organizational power;

capitalization and stock plans;

ownership and qualification (to conduct business) and good standing of significant subsidiaries;

power and authority to conduct business and perform obligations under the merger agreement;

due authorization, execution, delivery and validity and enforceability of the merger agreement;

absence of conflicts with, or violations of, organizational documents, other contracts and applicable laws created by the entry into, and performance of obligations under, the merger agreement;

required regulatory filings, third party and regulatory consents and approvals of governmental authorities;

accuracy of SEC filings and financial statements;

internal accounting controls, compliance with the Sarbanes-Oxley Act and the absence of improper payments and off-balance sheet arrangements;

absence of certain changes from December 31, 2015 through the date of the merger agreement;

absence of undisclosed liabilities;

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absence of litigation and investigations;

compliance with applicable laws and permits;

certain material contracts and the absence of defaults related to such contracts;

labor and benefits matters, including matters related to employee benefit plans, and ERISA compliance;

tax matters, including matters relating to REIT qualification;

brokers', investment bankers', financial advisors' or other similar fees;

receipt of the opinions of financial advisors;

intellectual property;

real properties and leases;

environmental matters;

Investment Company Act matters (or in the case of Colony and NRF, inapplicability thereto);

inapplicability of state takeover statutes to the Mergers;

accuracy of information supplied or to be supplied for use in the Form S-4 and this joint proxy statement/prospectus;

certain transactions with related parties;

Investment Advisers Act matters (or in the case of NRF, inapplicability thereto); and

broker-dealer matters (or in the case of Colony and NRF, inapplicability thereto).

The merger agreement also contains certain representations and warranties with respect to Colony NorthStar, New NRF Parent and New Parent Merger Sub including corporate organization and capitalization and, with respect to Colony NorthStar, New NRF Parent, NRF LP, NRF OP Merger Sub and New Parent Merger Sub, including authority with respect to the execution and delivery of the merger agreement.

Many of the representations and warranties in the merger agreement are qualified by a "materiality" or "material adverse effect" standard (that is, they will be deemed to be true and correct unless their failure to be true or correct, individually or in the aggregate, has resulted in or would reasonably be expected to result in a material adverse effect). In addition, certain of the representations and warranties in the merger agreement are subject to knowledge qualifications, which means that those representations and warranties would not be deemed untrue or

incorrect as a result of matters of which certain officers of the party making the representation did not have actual knowledge. For the purposes of the merger agreement, "material adverse effect" means, with respect to any of the Companies, any change, event, development, circumstance, condition, occurrence or effect that, individually or in the aggregate with any other change, event, development, circumstance,

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condition, occurrence or effect: (i) prevents or materially delays the consummation of the transactions contemplated by the merger agreement; or (ii) has a material adverse effect on the financial condition, results of operations or business of such Company and its subsidiaries, taken as a whole, excluding the impact of:

changes, after the date of the merger agreement, in laws of general applicability to companies in the industries in which such Company and its subsidiaries operate or changes, after the date of the merger agreement, in the authoritative and publicly available interpretation thereof by governmental authorities;

changes, after the date of the merger agreement, in GAAP or applicable regulatory accounting requirements or authoritative and publicly available interpretations thereof;

changes, after the date of the merger agreement, in prevailing interest rates or other financial, economic or market conditions affecting the real estate market, the investment or asset management business or the market for alternative asset managers or REIT advisors generally;

actions or omissions of a party to the merger agreement required by the merger agreement;

the announcement or existence of the merger agreement and the transactions contemplated by the merger agreement (including the impact thereof on relationships with customers, clients, partners, joint venturers and employees);

changes, after the date of the merger agreement, in U.S. or non-U.S. political conditions (including the outbreak of war or acts of terrorism or the worsening of existing hostilities or other conflicts);

changes, after the date of the merger agreement, relating to natural disasters, outbreak of disease or other force majeure events;

any failure, in and of itself, by NSAM, Colony or NRF, as applicable, to meet any estimates of revenues, earnings or other measure of financial performance for any period after the date of the merger agreement, but not the underlying causes thereof (the impact of which may, unless the impact thereof is otherwise excluded, be considered in determining whether a material adverse effect has occurred); or

a decline in the price of the shares of NSAM, Colony or NRF, as applicable, on the NYSE or any other class of a party's capital stock listed on a national securities exchange, but not the underlying causes thereof (the impact of which may, unless the impact thereof is otherwise excluded, be considered in determining whether a material adverse effect has occurred);

except, in the cases of the first, second, third, sixth and seventh bullet points above, to the extent the effects of such change, event, development, circumstance, condition, occurrence or effect are materially disproportionately adverse to the financial condition, results of operations or business, of such Company and its subsidiaries, taken as a whole, as compared to other companies in the industry in which such Company and its subsidiaries operate.

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Conditions to Completion of the Mergers

Mutual Closing Conditions

The obligation of each of the Companies to complete the Mergers is subject to the fulfillment or written waiver, at or prior to the closing, of the following conditions:

receipt of the NSAM stockholder approval;

receipt of the Colony stockholder approval;

receipt of the NRF stockholder approval;

receipt of all requisite regulatory approvals;

the absence of any law, injunction or order by any governmental authority preventing, enjoining, prohibiting or making illegal the consummation of the Mergers;

effectiveness of the registration statement of which this joint proxy statement/prospectus forms a part and no stop order suspending the effectiveness of the registration statement having been issued or proceedings for that purpose having been initiated or threatened by the SEC;

the shares of Colony NorthStar class A common stock and Colony NorthStar preferred stock to be issued in connection with the Mergers have been approved for listing on the NYSE, subject only to official notice of issuance; and

the sale or other disposition of NSAM's investment in Island Hospitality Management Inc. (carrying value of approximately \$39.5 million as of March 31, 2016) which could adversely affect Colony NorthStar's ability to qualify as a REIT.

The merger agreement also provides that no party will be required to consummate the Mergers or be in breach of any obligation under the merger agreement to consummate the Mergers or otherwise be liable to any other party in connection with a failure to consummate the Mergers if, subject to certain conditions, financing is unavailable and the combined company, upon consummation of the Mergers, will not have sufficient unrestricted cash on hand available to repay certain specified borrowings and all transaction expenses of the parties to the merger agreement in connection with the Mergers.

Additional Closing Conditions for the Benefit of NSAM

The obligation of NSAM to consummate the Mergers is also subject to the fulfillment or written waiver, before the closing, of each of the following conditions:

the accuracy in all material respects as of the date of the merger agreement and as of the date of the closing (except that representations and warranties which address matters only as of a particular date, which are required to be true and correct as of such particular date) of certain representations and warranties made in the merger agreement by each of Colony and NRF (disregarding any materiality or material adverse effect qualifications contained in such representations and warranties) regarding certain aspects of its organization and standing, capitalization, significant subsidiaries, power, authority and financial advisors;

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the accuracy in all respects as of the date of the merger agreement and as of the date of the closing of certain representations and warranties made in the merger agreement by each of Colony and NRF regarding the absence of certain changes, which are subject, in each case, to a material adverse effect qualification;

the accuracy of all other representations and warranties made in the merger agreement by each of Colony and NRF (disregarding any materiality or material adverse effect qualifications contained in such representations and warranties) as of the date of the closing (except that representations and warranties which address matters only as of a particular date, which are required to be true and correct as of such particular date), except for any such inaccuracies that have not resulted in a material adverse effect on Colony or NRF, as applicable;

each of Colony, NRF and New NRF Parent must have complied with and performed in all material respects all obligations required to be complied with and performed under the merger agreement by it on or before the closing;

receipt by NSAM of certificates signed by an appropriate officer of each of Colony, NRF and New NRF Parent certifying that the conditions of such party relating to the representations and warranties and covenants of such party are satisfied;

receipt by NSAM of:

- with respect to Colony, a written opinion of counsel, dated as of the date of the Colony merger, to the effect that, commencing with its taxable year of formation through the effective time of the Colony merger, Colony has been organized and operated in conformity with the requirements for qualification and taxation as a REIT under the Code and its actual method of operation through the effective time of the Colony merger will enable it to meet the requirements for qualification and taxation as a REIT for the taxable year ended with the effective time of the Colony merger; and
- with respect to NRF, a written opinion of counsel, dated as of the date of the NRF merger, to the effect that, commencing with its taxable year of formation through the effective time of the NRF merger, New NRF Parent (including NRF in its capacity as predecessor to New NRF Parent) has been organized and operated in conformity with the requirements for qualification and taxation as a REIT under the Code and its actual method of operation through the effective time of the NRF merger will enable it to meet the requirements for qualification and taxation as a REIT for the taxable year ended with the effective time of the NRF merger;

both: (i) receipt by NSAM of a written opinion of counsel, dated as of the date of the NRF merger, to the effect that, the Redomestication merger will qualify as a reorganization within the meaning of Section 368(a)(1)(F) of the Code, and each of the NRF merger and the Colony merger will qualify as a reorganization within the meaning of Section 368(a) of the Code; and (ii) receipt by NRF of a written opinion of counsel, dated as of the date of the NRF merger, to the effect that the New NRF Holdco merger together with the LLC conversion will qualify as a reorganization within the meaning of Section 368(a)(1)(F) of the Code;

receipt by NSAM of a written opinion of counsel, dated as of the date of the Colony merger, to the effect that Colony NorthStar is not, and as a result of the consummation of the Mergers will not be, required to register as an investment company under the Investment Company Act; and

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since the date of the merger agreement, no material adverse effect with respect to Colony or NRF has occurred, provided that NSAM may not rely on this condition with respect to any material adverse effect with respect to NRF that is caused by the act or failure to act by NSAM or any of its affiliates in violation of the NRF management agreement.

Notwithstanding the foregoing, NSAM's ability to invoke: (i) a failure on the part of NRF, or any of NRF's subsidiaries party to the merger agreement, to comply with or perform the covenants and agreements under the merger agreement; or (ii) a breach by NRF, or any of NRF's subsidiaries party to the merger agreement, of a representation or warranty under the merger agreement as a basis not to consummate the transactions contemplated by the merger agreement is limited by the NSAM/NRF side agreement. Refer to the section entitled "Other Related Agreements The NSAM/NRF Side Agreement" beginning on page 308 of this joint proxy statement/prospectus.

Additional Closing Conditions for the Benefit of Colony

The obligation of Colony to consummate the Mergers is also subject to the fulfillment or written waiver, before the closing, of each of the following conditions:

the accuracy in all material respects as of the date of the merger agreement and as of the date of the closing (except that representations and warranties which address matters only as of a particular date, which are required to be true and correct as of such particular date) of certain representations and warranties made in the merger agreement by each of NSAM and NRF (disregarding any materiality or material adverse effect qualifications contained in such representations and warranties) regarding certain aspects of its organization and standing, capitalization, significant subsidiaries, power, authority and financial advisors;

the accuracy in all respects as of the date of the merger agreement and as of the date of the closing of certain representations and warranties made in the merger agreement by each of NSAM and NRF regarding the absence of certain changes, which are subject, in each case, to a material adverse effect qualification;

the accuracy of all other representations and warranties made in the merger agreement by each of NSAM and NRF (disregarding any materiality or material adverse effect qualifications contained in such representations and warranties) as of the date of the closing (except that representations and warranties which address matters only as of a particular date, which are required to be true and correct as of such particular date), except for any such inaccuracies that have not resulted in a material adverse effect on NSAM or NRF, as applicable;

each of NSAM, Colony NorthStar, NRF and New NRF Parent must have complied with and performed in all material respects all obligations required to be complied with and performed under the merger agreement by it on or before the closing;

receipt by Colony of certificates signed by an appropriate officer of each of NSAM, Colony NorthStar, NRF and New NRF Parent certifying that the conditions of such party relating to the representations and warranties and covenants of such party are satisfied;

receipt by Colony of:

- with respect to NRF, a written opinion of counsel, dated as of the date of the NRF merger, to the effect that, commencing with its taxable year of formation through the effective time of the NRF merger, New NRF Parent (including NRF in its capacity as predecessor to New NRF Parent) has been organized and operated in conformity with the requirements for qualification and taxation as a REIT under the Code and its actual

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method of operation through the effective time of the NRF merger will enable it to meet the requirements for qualification and taxation as a REIT for the taxable year ended with the effective time of the NRF merger; and

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with respect to Colony NorthStar, a written opinion of counsel, dated as of the date of the Colony merger, to the effect that, commencing with the taxable year beginning January 1, 2017, Colony NorthStar (including NSAM in its capacity as predecessor to Colony NorthStar) will be organized in conformity with the requirements for qualification and taxation as a REIT under the U.S. federal income tax laws and its proposed method of operations will enable it to satisfy the requirements for qualification and taxation as a REIT under the U.S. federal income tax laws for its taxable year ending December 31, 2017 and subsequent taxable years;

each of (i) receipt by Colony of a written opinion of counsel, dated as of the date of the Colony merger, to the effect that each of the NRF merger and the Colony merger will qualify as a reorganization within the meaning of Section 368(a) of the Code; (ii) receipt by NSAM of a written opinion of counsel, dated as of the date of the NRF merger, to the effect that the Redomestication merger will qualify as a reorganization within the meaning of Section 368(a)(1)(F) of the Code; and (iii) receipt by NRF of a written opinion of counsel, dated as of the date of the NRF merger, to the effect that the New NRF Holdco merger together with the LLC conversion will qualify as a reorganization within the meaning of Section 368(a)(1)(F) of the Code;

receipt by Colony of a written opinion of counsel reasonably acceptable to each of the parties, dated as of the date of the Colony merger, to the effect that, Colony NorthStar is not, and as a result of the consummation of the Mergers will not be, required to register as an investment company under the Investment Company Act;

since the date of the merger agreement, no material adverse effect with respect to NSAM or NRF has occurred; and

receipt by Colony of the NSAM E&P study.

Additional Closing Conditions for the Benefit of NRF

The obligation of NRF to consummate the Mergers is also subject to the fulfillment or written waiver, before the closing, of each of the following conditions:

the accuracy in all material respects as of the date of the merger agreement and as of the date of the closing (except that representations and warranties which address matters only as of a particular date, which are required to be true and correct as of such particular date) of certain representations and warranties made in the merger agreement by each of NSAM and Colony (disregarding any materiality or material adverse effect qualifications contained in such representations and warranties) regarding certain aspects of its organization and standing, capitalization, significant subsidiaries, power, authority and financial advisors;

the accuracy in all respects as of the date of the merger agreement and as of the date of the closing of certain representations and warranties made in the merger agreement by each of NSAM and Colony regarding the absence of certain changes, which are subject, in each case, to a material adverse effect qualification;

the accuracy of all other representations and warranties made in the merger agreement by each of NSAM and Colony (disregarding any materiality or material adverse effect

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qualifications contained in such representations and warranties) as of the date of the closing (except that representations and warranties which address matters only as of a particular date, which are required to be true and correct as of such particular date), except for any such inaccuracies that have not resulted in a material adverse effect on NSAM or Colony, as applicable;

each of NSAM, Colony NorthStar and Colony must have complied with and performed in all material respects all obligations required to be complied with and performed under the merger agreement by it on or before the closing;

receipt by NRF of certificates signed by an appropriate officer of each of NSAM, Colony NorthStar and Colony certifying that the conditions of such party relating to the representations and warranties and covenants of such party are satisfied;

receipt by NRF of:

- with respect to Colony, a written opinion of counsel, dated as of the date of the Colony merger, to the effect that, commencing with its taxable year of formation through the effective time of the Colony merger, Colony has been organized and operated in conformity with the requirements for qualification and taxation as a REIT under the Code and its actual method of operation through the effective time of the Colony merger will enable it to meet the requirements for qualification and taxation as a REIT for the taxable year ended with the effective time of the Colony merger; and
- with respect to Colony NorthStar, a written opinion of counsel, dated as of the date of the NRF merger, to the effect that, commencing with the taxable year beginning January 1, 2017, Colony NorthStar (including NSAM in its capacity as predecessor to Colony NorthStar) will be organized in conformity with the requirements for qualification and taxation as a REIT under the U.S. federal income tax laws and its proposed method of operations will enable it to satisfy the requirements for qualification and taxation as a REIT under the U.S. federal income tax laws for its taxable year ending December 31, 2017 and subsequent taxable years;

both: (i) receipt by NRF of a written opinion of counsel, dated as of the date of the NRF merger to the effect that the New NRF Holdco merger together with the LLC conversion will qualify as a reorganization within the meaning of Section 368(a)(1)(F) of the Code, and each of the NRF merger and the Colony merger will qualify as a reorganization within the meaning of Section 368(a) of the Code; and (ii) receipt by NSAM of a written opinion of counsel, dated as of the date of the NRF merger, to the effect that the Redomestication merger will qualify as a reorganization within the meaning of Section 368(a)(1)(F) of the Code;

receipt by NRF of a written opinion of counsel, dated as of the date of the Colony merger to the effect that, Colony NorthStar is not, and as a result of the consummation of the Mergers will not be, required to register as an investment company under the Investment Company Act;

since the date of the merger agreement, no material adverse effect with respect to NSAM or Colony has occurred; and

receipt by NRF of the NSAM E&P study.

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All written opinions of counsel must be in form and substance reasonably satisfactory to the party receiving such opinion, and the counsel providing such opinion must be reasonably acceptable to the parties to which the opinions are delivered.

Covenants and Agreements

Conduct of the Business Pending the Mergers

Each of the Companies has agreed to certain restrictions on itself and its subsidiaries, and their conduct of business, prior to the completion of the Mergers. In general, except with the prior written approval of the other parties (which consent will not be unreasonably withheld, delayed or conditioned), or as otherwise expressly required or permitted by the merger agreement, or required by law, or as disclosed in the disclosure letters delivered by each of the Companies to the other Companies at the time of the merger agreement, each of the Companies has agreed that it will, and will cause each of its subsidiaries to, conduct its business in the ordinary course of business consistent with past practice, and use its reasonable best efforts to preserve intact its business organizations, and material assets and maintain its material rights, franchises, authorizations and existing relations with customers, suppliers, employees and business associates.

Without limiting the foregoing, each of the Companies has also agreed that, except with the prior written approval of the other parties (which consent will not be unreasonably withheld, delayed or conditioned), as otherwise required by the merger agreement, as required by law, or as disclosed in the disclosure letters delivered by each of the Companies to the other Companies at the time of the merger agreement, it will not, and it will not permit any of its subsidiaries to, directly or indirectly:

enter into any new material line of business or change its material operating policies, except as required by law;

issue or sell any of its shares of capital stock or rights (except, with respect to NRF, issuance of shares of capital stock in connection with the NRF LP merger) or permit any of its shares of capital stock or rights to become subject to new grants, except:

- issuances of equity awards and any other form of employee incentive equity awards under the stock plans of each Company, in the ordinary course of business consistent with past practice, in each case, subject to the aggregate limits specified in the disclosure letters delivered by each of the Companies to the other Companies at the time of the merger agreement;
- settlement of equity awards and any other form of employee incentive equity awards under such stock plans in accordance with their terms;
- issuances of shares of capital stock or rights to wholly owned subsidiaries;
- issuances of shares of capital stock in connection with the conversion of convertible shares or units of such party outstanding as of the date hereof or otherwise issued in compliance with the merger agreement; and
- any exchange relating to any exchangeable notes of such party;

make, declare, pay or set aside any dividend on or make any other distributions with respect to shares of its capital stock, subject to certain exceptions;

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sell, transfer, or otherwise dispose of or discontinue any of its material assets, business or properties, except in the ordinary course of business consistent with past practice not in excess of (i) \$75 million with respect to any individual transaction or (ii) \$300 million in the aggregate;

acquire the assets, business, or properties of any non-affiliated entity, or make any loans, advances or capital contributions to, or investments in, any person (other than a wholly owned subsidiary), except for acquisitions, loans, advances or capital contributions or investments that do not exceed, in the aggregate, \$200 million (excluding indebtedness permitted under the merger agreement incurred in connection therewith);

allow the lapse or termination of insurance policies covering material assets and businesses (other than the replacement of existing policies with substantially comparable policies);

amend its organizational documents or the organizational documents of any of its significant subsidiaries;

form any person that would comprise a significant subsidiary or dissolve or liquidate any significant subsidiary;

implement or adopt any material change in its financial or regulatory accounting principles, practices or methods or materially change any actuarial or other assumptions used to calculate funding obligations with respect to any benefit arrangement, other than as may be required by GAAP;

knowingly take any action, or knowingly omit to take any action, which is reasonably likely to result in any of the conditions to the Mergers not being satisfied in a reasonably timely manner;

except as required pursuant to the terms of the forbearing party's benefit plans in effect as of the date of the merger agreement, or as otherwise required by applicable law:

- increase the rate of compensation or benefits payable to any director, executive officer, employee or other service provider of the forbearing party or any of its subsidiaries, except: (i) for employees who are not executive officers, increases in annual salary or wage rate in the ordinary course of business consistent with past practice that do not exceed 10% in the aggregate; and (ii) the payment of annual bonuses for completed periods based on actual performance in the ordinary course of business consistent with past practice subject to the limits set forth on the disclosure letters delivered by each of the Companies to the other Companies at the time of the merger agreement;
- establish, adopt, materially amend or terminate any benefit plan except for: (i) amendments to benefit plans made in the ordinary course of business consistent with past practice that do not materially increase the expense of maintaining such plan; and (ii) establishing or adopting benefit plans in the ordinary course of business consistent with past practice in connection with the forbearing party's annual or open enrollment procedures; or
- take any action to accelerate the vesting, accrual or payment of, or to fund or in any other way secure the payment, of compensation or benefits under any benefit plan;

subject to certain exceptions related to REIT qualification, take any action that could reasonably be expected to prevent each of the Redomestication merger and the New NRF

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Holdco merger together with the LLC conversion from qualifying as a reorganization within the meaning of Section 368(a)(1)(F) of the Code or either of the NRF merger or Colony merger from qualifying as a reorganization within the meaning of Section 368(a) of the Code or cause any party that is intended to be a REIT to fail to qualify as a REIT;

enter into, amend or modify any tax protection agreement; make, change or rescind any material election relating to taxes; change a material method of tax accounting; materially amend any income tax return or any other material tax return; settle or compromise any material U.S. federal, state, local or foreign income tax liability, audit, claim or assessment; enter into any material closing agreement related to taxes; or knowingly surrender any right to claim any material tax refund, except in each case unless required by law or necessary or appropriate to preserve the status of any subsidiary of the forbearing party as a disregarded entity or partnership for U.S. federal income tax purposes;

except for intercompany indebtedness and except as set forth in the disclosure letters delivered by each of the Companies to the other Companies at the time of the merger agreement, incur any indebtedness for borrowed money, or guarantee such indebtedness to another person;

waive, compromise or settle any individual litigation, other than settlements that are for cash only and to the extent that the forbearing party or any of its subsidiaries has a payment obligation of an amount not to exceed \$10 million, which payment obligation would not be deemed to include any amount that is reimbursable or paid by a third party, including insurance or third parties managed or advised by a party or its subsidiaries;

enter into any contract that would be required to be disclosed against the representations and warranties regarding material contracts, or modify, amend, terminate, assign or waive any material right under any such contract in any material respect outside the ordinary course of business consistent with past practice;

authorize, recommend, propose or announce an intention to adopt a plan of complete or partial dissolution or liquidation, except with respect to wholly owned subsidiaries if the wholly owned subsidiary is merging with or liquidating into another wholly owned subsidiary;

create any lien over any material asset or assets, other than certain permitted liens or in connection with refinancing any indebtedness permitted to be incurred;

make, authorize or incur any material capital expenditures or any obligations or liabilities in respect thereof;

amend or modify the compensation terms or any other material obligations contained in any engagement letter with any financial advisor existing as of the date of the merger agreement that relates to the transactions contemplated by the merger agreement;

enter into any transaction that would be required to be disclosed pursuant to Item 404 of Regulation S-K promulgated under the Exchange Act;

assign or license any material intellectual property to any third party; or

agree to or make any commitment to do any of the foregoing.

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The parties have agreed to certain specified exceptions to the foregoing covenants contained in disclosure letters delivered by each of the Companies to the other Companies at the time of the merger agreement.

No Solicitation or Negotiation of Acquisition Proposals

In addition to terminating any discussions or negotiations with any person with respect to any acquisition proposal, each of the Companies has agreed not to, and to cause each of its subsidiaries and its and their respective directors, officers, employees and affiliates and direct each of its and its subsidiaries' legal or financial advisors, accountants, consultants and any representatives of the foregoing not to, directly or indirectly:

solicit, initiate or knowingly encourage or facilitate inquiries or proposals for, or engage in any negotiations concerning, or provide any confidential or nonpublic information or data to, or have any discussions with, any person relating to any inquiry, proposal or offer that constitutes, or could reasonably be expected to lead to, an acquisition proposal with respect to such Company;

engage in, continue or otherwise participate in any discussions or negotiations regarding, or furnish to any other person any information in connection with or any inquiry, proposal or offer that constitutes, or could reasonably be expected to lead to, an acquisition proposal with respect to such Company; or

approve, recommend or enter into any agreement with respect to an acquisition proposal with respect to such Company.

Each Company may waive or elect not to enforce any provision of any confidentiality, "standstill" or similar obligation to permit a person to make a confidential acquisition proposal with respect to such Company directly to its board of directors (or a duly authorized committee thereof) if such board of directors (or committee) determines in good faith that any such failure to waive or to not enforce would result in a breach of its duties under applicable law.

An acquisition proposal means, with respect to any of the Companies, a *bona fide* proposal or offer from any person or "group" (as such term is defined in Rule 13d-3 promulgated under the Exchange Act), other than any of the other parties or any of its respective subsidiaries, and whether involving a transaction or series of related transactions, for a merger, joint venture, partnership, consolidation, dissolution, liquidation, tender offer, recapitalization, reorganization, share exchange, business combination, sale of assets or similar transaction, involving the acquisition or issuance of: (i) 20% or more of the total voting power of any class of equity securities of such Company or rights thereto; or (ii) 20% or more of the consolidated net revenues, net income or total assets of such Company and its subsidiaries, on a consolidated basis.

Prior to obtaining the required stockholder approval, a Company and its representatives may, in response to a written acquisition proposal with respect to such Company that did not result from a material breach of the non-solicitation provisions in the merger agreement and if the board of the party receiving such proposal, or a duly authorized committee thereof, has determined in good faith based on information then available and after consultation with its outside legal counsel and outside financial advisors that such acquisition proposal either constitutes or could reasonably be expected to lead to a NSAM superior proposal, a Colony superior proposal or a NRF superior proposal:

provide information to the person(s) requesting the information if such person(s) have executed a confidentiality agreement (on terms not materially less favorable to such Company than the terms of the confidentiality agreements entered into with the other Companies) and,

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as contemplated below, such Company discloses to the other Companies such acquisition proposal and any nonpublic information provided to such persons(s); and

engage in, continue or otherwise participate in any discussions or negotiations with any person who has made an unsolicited bona fide written acquisition proposal.

Each Company has agreed to promptly (and in any event within 48 hours) notify the other Companies in writing after it has received (or any discussions are sought to be initiated in respect of) an acquisition proposal with respect to such Company. Each Company has agreed to keep the other Companies reasonably informed with respect to such acquisition proposal, including by providing the identity of the person making such request and the material terms and conditions of such acquisition proposal and any updates to such terms, of all material developments with respect to such acquisition proposals or requests.

Except as described below, none of the Companies may:

change, withhold, withdraw, qualify or modify the recommendation of the board of directors of such Company to its stockholders to vote in favor of the merger agreement and the applicable transactions contemplated by the merger agreement (or publicly announce or authorize such action or intention to take such action), in each case in a manner adverse to the other Companies;

authorize, approve, declare advisable, adopt or recommend any acquisition proposal with respect to such Company (or propose publicly to take such action);

authorize, cause or permit such Company to enter into any alternative acquisition agreement for any acquisition proposal with respect to such Company; or

fail to include the recommendation of the board of directors of such Company in the joint proxy statement (we refer to any action described in first, second or this fourth bullet of this paragraph as a change of recommendation).

Prior to obtaining the NSAM stockholder approval, Colony stockholder approval or NRF stockholder approval, as applicable, if:

a Company receives an acquisition proposal with respect to such Company that did not result from a material breach of the non-solicitation provisions described above (and such proposal is not withdrawn) and the board of directors of such Company (or a duly authorized committee thereof) determines in good faith, after consultation with outside legal counsel and outside financial advisors, that such acquisition proposal constitutes a superior proposal and, after consultation with outside legal counsel, that failure to effect a change of recommendation in connection with such superior proposal or that failure to terminate the merger agreement to enter into an alternative acquisition agreement for such superior proposal would be inconsistent with the directors' duties under applicable law, then the board of directors of such Company (or a duly authorized committee thereof) may effect a change of recommendation and/or terminate the merger agreement in accordance with the merger agreement; or

an unknown and not reasonably foreseeable intervening event occurs, and the board of directors of such Company (or a duly authorized committee thereof) determines in good faith, after consultation with outside legal counsel, that the failure to effect a change of recommendation would be inconsistent with the directors' duties under applicable law, then

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the board of directors of such Company (or a duly authorized committee thereof) may effect a change of recommendation.

However, such board (or committee) may not effect a change of recommendation or terminate the merger agreement unless:

the Company has provided advance written notice to the other parties of its intention to take such action, including the reasons for such action and, if made in response to a superior proposal, a description of the material terms of and a copy of any draft agreements with respect to such superior proposal; and

the Company (or a duly authorized committee thereof) has negotiated with the other parties in good faith for period of three business days (subject to certain adjustments) to make such adjustments in the terms and conditions of the merger agreement such that the failure to effect a change of recommendation would not be inconsistent with such Company's directors' duties under applicable law or so that the superior proposal ceases to constitute a superior proposal, as applicable.

A superior proposal means, with respect to any of the Companies, a written acquisition proposal with respect to such Company substituting "50%" for "20%" in the definition of acquisition proposal above, which the board of directors of such Company (or a duly authorized committee thereof) has determined in its good-faith judgment, after consultation with outside legal counsel and outside financial advisors, is reasonably likely to be consummated in accordance with its terms, taking into account all relevant legal, financial, regulatory and other aspects of such offer or proposal, including the financing terms thereof, and such other factors as the board of directors of such Company (or a duly authorized committee thereof) considers to be appropriate, and, if consummated, would be more favorable to the common stockholders of such Company, from a financial point of view, than the transactions contemplated by the merger agreement (after taking into account any proposed revisions pursuant to the paragraph above).

Stockholders Meetings

Each of the Companies has agreed, as promptly as practicable after the Form S-4 is declared effective, to duly call, give notice of, convene and hold a meeting of the common stockholders of such Company for the purpose of obtaining the NSAM stockholder approval, Colony stockholder approval and NRF stockholder approval, as applicable.

Consents and Approvals

On the terms and subject to the conditions of the merger agreement, each party (including, to the extent applicable, NSAM in its capacity as the external manager of NRF pursuant to the NRF management agreement) will use its reasonable best efforts to do all things necessary, proper or desirable under applicable laws, so as to permit consummation of the Mergers as promptly as practicable in accordance with the merger agreement and otherwise to enable consummation of the transactions contemplated by the merger agreement, and each will cooperate fully with, and furnish information to, the other parties to those ends. The obligations to use reasonable best efforts also extends to obtaining required regulatory approvals.

Directors' and Officers' Insurance and Indemnification

Under the merger agreement, Colony NorthStar will indemnify and hold harmless (and advance reasonable expenses as incurred) to the fullest extent permitted under applicable law each present and former director or officer of NSAM, Colony and NRF and each of their respective

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subsidiaries, in each case, when such individual is acting in such capacity (we refer to such directors and officers, collectively, as the indemnified parties) against any costs or expenses (including reasonable attorneys' fees), judgments, fines, losses, claims, damages or liabilities incurred in connection with any claim, action, suit, proceeding or investigation, whether civil, criminal, administrative or investigative, arising out of or pertaining to matters existing or occurring at or prior to the effective time of the applicable Mergers arising out of the transactions contemplated by the merger agreement.

For a period of six years from and after the completion of the Mergers, Colony NorthStar will not amend, repeal or otherwise modify any provision in its constituent documents relating to the exculpation or indemnification (including fee advancement) of any indemnified parties in any manner that would adversely affect their rights, and will honor and perform under all indemnification obligations owed to them.

Prior to the closing, Colony NorthStar will obtain and fully pay for "tail" insurance policies with a claims period of at least six years from and after the effective time of the completion of the Mergers from an insurance carrier with the same or better credit rating as current insurance carriers of each of the Companies with respect to directors' and officers' liability insurance and fiduciary liability insurance with benefits and levels of coverage at least as favorable as the existing policies of each of the Companies with respect to matters existing or occurring at or prior to the applicable effective time of the Mergers, subject to certain limitations.

Employee Matters

With respect to any employee benefit plan in which a continuing employee first becomes eligible to participate on or after the applicable effective time and in which such continuing employee of each of the Companies did not participate prior thereto, Colony NorthStar will take commercially reasonable efforts, subject to the approval of any applicable insurance carrier, to:

cause any pre-existing conditions or limitations and eligibility waiting periods under any group health plans to be waived;

give each continuing employee credit for the plan year in which the applicable effective time occurs towards applicable deductibles and annual out-of-pocket limits for medical expenses incurred prior thereto, for which payment has been made; and

give each continuing employee service credit for such continuing employee's employment with any of the Companies or its subsidiaries, as applicable, for purposes of vesting, benefit accrual and eligibility to participate under each applicable employee benefit plan, as if such service had been performed with such party, subject to certain limitations.

Colony NorthStar will honor all employee benefit obligations to current and former employees of each of the Companies under the employee benefit plans listed in the disclosure letters delivered by each Company to the other Companies at the time of the merger agreement.

Immediately prior to the closing, each party will, in accordance with the aggregate limitations agreed by the parties, pay each eligible employee an annual incentive bonus in respect of the 2016 fiscal year in a manner consistent with past practice, including whether such bonus is paid in cash and/or in the form of the respective party's equity awards, as applicable, with such bonus based on actual performance for the 2016 fiscal year or, to the extent applicable, based on projections relating to performance for the 2016 fiscal year.

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Financing

Subject to the terms and conditions of the merger agreement, Colony has agreed to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable to obtain and consummate the financing, which we refer to as the committed financing, on or prior to the closing date on the terms and conditions described in that certain commitment letter, as described in more detail in the section entitled "The Mergers Financing Committed Facility" beginning on page 208 of this joint proxy statement/prospectus.

Unless NSAM and NRF provide prior written consent (including to obtain replacement financing) or the parties reasonably agree that Colony NorthStar will have sufficient funds at the closing (including taking into account any replacement borrowing financing), Colony may not terminate, amend or replace the commitment letter if such action would:

reduce the aggregate amount of the committed financing; or

impose new or additional conditions to the receipt of committed financing, or any other provision of the commitment letter in a manner that would reasonably be expected to delay or prevent the funding of the committed financing or adversely impact the ability of Colony to enforce its rights against other parties to the Commitment Letter or the definitive agreements with respect thereto.

If Colony NorthStar is not expected to have sufficient funds available, including cash on hand and the committed financing, to consummate the transactions contemplated by the merger agreement, including repaying certain specified borrowings and all transaction expenses, the parties have agreed to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable to arrange and procure, as of the closing, supplemental financing, which we refer to as the supplemental financing, to the extent of the shortfall in such funds. The parties have agreed to use their reasonable best efforts to arrange and procure any supplemental financing notwithstanding the cost of obtaining such supplemental financing or the actions required to arrange and procure such supplemental financing (including any asset sales), except that such cost or actions may not reasonably be expected to result in a material adverse effect with respect to Colony NorthStar after the closing or a material adverse effect with respect to any party prior to the closing.

Each party will reasonably cooperate with the other parties in connection with obtaining the financing, subject to certain limitations.

Divestitures

Each of NSAM and NRF has agreed to work in good faith to complete certain specified divestitures or sales of assets. As noted above, the completion of one of these divestitures by NSAM is required as a condition to closing for each of Colony and NRF.

Other Covenants and Agreements

The merger agreement contains certain other covenants and agreements, including:

cooperation between the parties in preparation of this joint proxy statement/prospectus;

confidentiality and access by each party to certain information about the other parties during the period prior to the completion of the Mergers;

cooperation between the parties in connection with public announcements;

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causing any dispositions or acquisitions of a Company's securities, pursuant to the transactions contemplated by the merger agreement by each individual who is subject to the reporting requirements under the securities laws to be exempt under Rule 16b-3 promulgated under the Exchange Act;

prohibiting actions that would cause any takeover law to become applicable to the merger agreement or the transactions contemplated by the merger agreement;

causing each of the Redomestication merger and the New NRF Holdco merger together with the LLC conversion to qualify as a reorganization within the meaning of Section 368(a)(1)(F) of the Code and each of the NRF merger and the Colony merger to qualify as a reorganization within the meaning of Section 368(a) of the Code;

cooperating in the preparation, execution and filing of all returns, questionnaires, applications or other documents regarding any real property transfer or gains, sales, use, transfer, value added, stock transfer or stamp taxes, any transfer, recording, registration and other fees and any similar taxes that become payable in connection with the transactions contemplated by the merger agreement and cooperating in attempting to minimize the amount of transfer taxes;

delivery by each party, as applicable, of the opinions required in connection with the parties' respective obligations to consummate the Mergers, including, with respect to NSAM, the NSAM E&P study;

with respect to Colony and NRF, subject to the dividend restrictions provided in the conduct of business provisions of the merger agreement, declaring and paying one or more dividends to its stockholders in an aggregate amount at least equal to the minimum dividend required to be distributed in order for such party to qualify as a REIT for the taxable year that ends upon the closing and to avoid the incurrence of any income or excise tax under Sections 857 or 4981 of the Code;

with respect to NSAM, causing the shares of Colony NorthStar class A common stock and Colony NorthStar preferred stock to be issued in the Mergers to be approved for listing on the NYSE; and

implementation of certain post-closing internal reorganization transactions intended to consolidate certain subsidiaries under Colony NorthStar.

Termination of the Merger Agreement

Termination by Mutual Agreement

The merger agreement may be terminated at any time prior to the effective time of the NRF merger by the mutual consent of all of the Companies.

Termination by Any of the Companies

The merger agreement may be terminated prior to the closing by any of the Companies if:

the effective time of the NRF merger has not occurred by the close of business on March 17, 2017, unless the Company seeking to terminate the merger agreement has been the cause of, or materially contributed to, the failure of the Mergers to occur on or before such date;

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the NSAM stockholder approval has not been obtained;

the NRF stockholder approval has not been obtained;

the Colony stockholder approval has not been obtained; or

any requisite regulatory approval is denied by final, non-appealable action or any governmental authority issues a final, non-appealable order permanently restraining, enjoining or otherwise prohibiting the consummation of the Mergers, except that no Company may terminate the merger agreement if such Company's failure to comply with any provision of the merger agreement has been the cause of, or materially contributed to such action or order.

Termination by NSAM

The merger agreement may be terminated by NSAM if:

there has been a breach of any representation, warranty, covenant or agreement made by Colony or NRF or any representation or warranty of Colony or NRF becomes untrue, in either case, such that the conditions to NSAM's obligations to complete the Mergers relating to such representations or warranties or covenants would not then be satisfied and such breach or condition is incapable of being cured (or not capable of becoming true) or is not cured (or does not become true) within the earlier of (i): 30 calendar days after written notice thereof is given by NSAM to Colony or NRF, as applicable; and (ii) March 17, 2017;

the Colony board (or a duly authorized committee thereof) or NRF board (or a duly authorized committee thereof) makes a change of recommendation;

prior to receipt of the NSAM stockholder approval, in order to enter into an alternative acquisition agreement with respect to a superior proposal for NSAM; provided that NSAM has complied in all material respects with the non-solicitation provisions and has paid or concurrently pays a termination fee in accordance with the termination fee provisions; or

Colony or NRF materially breached its obligations under the provisions of the merger agreement regarding non-solicitation, preparation of the registration statement on Form S-4, of which this joint proxy statement/prospectus is a part, or convening its stockholders meeting.

Notwithstanding the foregoing, NSAM's ability to invoke: (i) a failure on the part of NRF, or any of NRF's subsidiaries party to the merger agreement, to comply with or perform the covenants and agreements under the merger agreement; or (ii) a breach by NRF, or any of NRF's subsidiaries party to the merger agreement, of a representation or warranty under the merger agreement as a basis to terminate the merger agreement is limited by the NSAM/NRF side agreement. Refer to the section entitled "Other Related Agreements The NSAM/NRF Side Agreement" beginning on page 308 of this joint proxy statement/prospectus.

Notwithstanding anything to the contrary in the merger agreement, any termination by NSAM of the merger agreement may only be made with the approval of the NSAM special committee on behalf of NSAM.

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Termination by Colony

The merger agreement may be terminated by Colony if:

there has been a breach of any representation, warranty, covenant or agreement made by NSAM or NRF or any representation or warranty of NSAM or NRF becomes untrue, in either case, such that the conditions to Colony's obligations to complete the Mergers relating to such representations or warranties or covenants would not then be satisfied and such breach or condition is incapable of being cured (or not capable of becoming true) or is not cured (or does not become true) within the earlier of: (i) 30 calendar days after written notice thereof is given by Colony to NSAM or NRF, as applicable; and (ii) March 17, 2017;

the NSAM board (or a duly authorized committee thereof) or NRF board (or a duly authorized committee thereof) makes a change of recommendation;

prior to receipt of the Colony stockholder approval, in order to enter into an alternative acquisition agreement with respect to a superior proposal for Colony; provided that Colony has complied in all material respects with the non-solicitation provisions and has paid or concurrently pays a termination fee in accordance with the termination fee provisions; or

NSAM or NRF materially breached its obligations under the provisions of the merger agreement regarding non-solicitation, preparation of the registration statement on Form S-4, of which this joint proxy statement/prospectus is a part, or convening its stockholders meeting.

Termination by NRF

The merger agreement may be terminated by NRF if:

there has been a breach of any representation, warranty, covenant or agreement made by NSAM or Colony or any representation or warranty of NSAM or Colony becomes untrue, in either case, such that the conditions to NRF's obligations to complete the Mergers relating to such representations or warranties or covenants would not then be satisfied and such breach or condition is incapable of being cured (or not capable of becoming true) or is not cured (or does not become true) within the earlier of: (i) 30 calendar days after written notice thereof is given by NRF to NSAM or Colony, as applicable; and (ii) March 17, 2017;

the NSAM board (or a duly authorized committee thereof) or Colony board (or a duly authorized committee thereof) makes a change of recommendation;

prior to receipt of the NRF stockholder approval, in order to enter into an alternative acquisition agreement with respect to a superior proposal for NRF; provided that NRF has complied in all material respects with the non-solicitation provisions and has paid or concurrently pays a termination fee in accordance with the termination fee provisions; or

NSAM or Colony materially breached its obligations under the provisions of the merger agreement regarding non-solicitation, preparation of the registration statement on Form S-4, of which this joint proxy statement/prospectus is a part, or convening its stockholders meeting.

Notwithstanding anything to the contrary in the merger agreement, any termination by NRF of the merger agreement may only be made with the approval of the NRF special committee on behalf of NRF.

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Termination Fees

Each of the Companies, which we refer to in such context as a paying party, has agreed to pay to the other Companies, which we refer to in such context as the owed parties, a termination fee in the amount of \$92 million (to be split jointly between the owed parties) due at certain time specified in the merger agreement, if the merger agreement is terminated under the following circumstances:

the paying party terminates to enter into an alternative acquisition agreement with respect to a superior proposal for such paying party;

either of the owed parties terminates as a result of a change of recommendation by the paying party;

either of the owed parties terminates as a result of the paying party's materially breaching its obligations with respect to the provisions of the merger agreement regarding non-solicitation, preparation of the registration statement on Form S-4, of which this joint proxy statement/prospectus is a part, or convening such party's stockholders meeting;

each of (i) an acquisition proposal for the paying party is proposed or disclosed and is not withdrawn at least five business days prior to the paying party's stockholders meeting; (ii) any party terminates as a result of the failure to obtain the required stockholder approval at such stockholders meeting; and (iii) at any time on or prior to the 12-month anniversary of such termination, the paying party has entered into a definitive agreement in respect of, or consummated, any acquisition proposal for the paying party (other than an acquisition proposal involving any of the owed parties or their respective subsidiaries); or

each of (i) an acquisition proposal for the paying party is proposed or disclosed and is not withdrawn at least five business days prior to termination; (ii) the merger agreement is terminated (A) by any party because the transactions contemplated by the merger agreement have not closed by the close of business on March 17, 2017 or (B) by the owed parties as a result of a breach of the representations and warranties or covenants by the paying party that would cause the applicable closing conditions to not be satisfied and such breach either is not cured within 30 days of receipt of written notice by the paying party or is not curable (we refer to such breach as a "terminable breach"); and (iii) at any time on or prior to the 12-month anniversary of such termination, the paying party has entered into a definitive agreement in respect of, or consummated, any acquisition proposal for the paying party (other than an acquisition proposal involving any of the owed parties or their respective subsidiaries).

However, pursuant to the NSAM/NRF side agreement, if NRF is the paying party, NRF is to pay a termination fee of \$3 million to NSAM and \$46 million to Colony.

Under the following circumstances in which two of the Companies, which we refer to in such context as the paying parties, enter into a definitive agreement in respect of or consummate a business combination, the paying parties have agreed to pay the remaining Company, which we refer to in such context as the owed party, a termination fee of \$92 million:

the merger agreement is terminated: (i) by any party as a result of the failure to obtain the stockholder approval of either of the paying parties; (ii) by the owed party or either paying party because the transactions contemplated by the merger agreement have not closed by the close of business on March 17, 2017 if the other paying party has been the cause of or materially contributed to such failure; (iii) by the owed party as a result of a terminable

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breach by either of the paying parties; or (iv) by either paying party as a result of a terminable breach by the other paying party; and

at any time on or prior to the 12-month anniversary of such termination, the paying parties have entered into a definitive agreement in respect of, or consummated, a business combination transaction that, if proposed prior to such termination, would have constituted an acquisition proposal with respect to either of the paying parties (with references to "20%" deemed to be references to 50%).

The amount of a termination fee that a party is entitled to receive will be reduced (but not below zero) by any transaction expenses reimbursed pursuant to the following section.

Payment of Transaction Expenses upon Termination

If the merger agreement is terminated under either of the following circumstances, the paying party is to pay or cause to be paid the transaction expenses (capped at \$10 million per owed party) of the owed parties:

any party terminates as a result of the failure to obtain the stockholder approval of the paying party; or

either of the owed parties terminates as a result of a terminable breach by the paying party.

In the event that a termination fee (or a portion thereof) or transaction expenses are paid by any of the parties pursuant to the merger agreement, such termination fee or transaction expenses will be the other parties' sole and exclusive remedy for monetary damages under the merger agreement. No party is entitled to receive a termination fee or to be reimbursed transaction expenses if, at the time of termination, the merger agreement is terminable as a result of:

the failure to obtain the stockholder approval of the paying party;

the failure of the transactions contemplated by the merger agreement to close by the close of business on March 17, 2017 if such party has been the cause of or materially contributed to such failure;

a terminable breach by such party;

a change of recommendation of such party; or

such party materially breaching its obligations under the provisions of the merger agreement regarding non-solicitation, preparation of the registration statement on Form S-4, of which this joint proxy statement/prospectus is a part, or convening its stockholders meeting.

Effect of Termination

In the event of termination of the merger agreement, the merger agreement will become void and of no effect with no liability to any person on the part of any party hereto (or of any of its representatives or affiliates), except that:

no termination will relieve any party of any liability to the other parties resulting from any actual fraud or willful breach of the merger agreement;

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no termination will relieve any party from its obligation to pay the termination fee (including any portion thereof) or transaction expenses, as applicable, in each case if, as and when required pursuant to the merger agreement; and

certain provisions of the merger agreement regarding limitations on representation and warranties made by the parties, confidentiality, termination, the miscellaneous provisions and the relevant definitions will survive the termination of the merger agreement.

Miscellaneous Provisions

Specific Performance

The parties are entitled to injunctions, specific performance and other equitable relief to prevent breaches of the merger agreement and to enforce specifically the terms and provisions of the merger agreement in addition to any and all other remedies at law or in equity; however, no party will be in breach of its obligation to consummate the Mergers or otherwise have any liability to any other party in connection with a failure to consummate the Mergers, in each case, if the financing is unavailable and the combined company, upon consummation of the Mergers, would not have sufficient unrestricted cash to repay certain specified borrowings and all transaction expenses.

Amendment

The merger agreement may be amended or modified at any time before the completion of the Mergers by a written agreement executed by all of the parties, except to the extent that any such amendment would violate the DGCL or the MGCL or require resubmission of the merger agreement, the Mergers or the constituent documents of Colony NorthStar to the stockholders of any of the Companies. Neither NSAM nor NRF may waive, amend or modify or grant any consent under the merger agreement without the prior written approval of the special committee of its board of directors. Certain miscellaneous provisions of the merger agreement that are for the benefit of the committed financing sources cannot be amended, waived or modified in a manner adverse to the committed financing sources without their prior written consent (such consent not to be unreasonably withheld, conditioned or delayed).

Governing Law

The merger agreement is governed by the laws of the State of Delaware, except: (i) with respect to the Mergers, which will be governed by the DGCL or MGCL, as applicable; and (ii) with respect to any proceedings arising out of the merger agreement involving the sources of financing, which will be governed by the laws of the State of New York, in each case, without giving effect to conflicts of laws principles that would cause the application of the law of any other jurisdiction.

No Third-Party Beneficiaries

The merger agreement is not intended to, and does not, confer upon any person other than each of the Companies any rights or remedies, except for Colony NorthStar's obligation to indemnify and hold harmless, and to advance expenses to, each current or former director or officer of NSAM, Colony and NRF and their respective subsidiaries in connection with claims arising out of or pertaining to matters existing or occurring at or prior to the completion of the Mergers and to obtain and fully pay for "tail" insurance policies with respect to directors' and officers' liability insurance and for certain miscellaneous provisions of the merger agreement that are intended for the benefit of the committed financing sources, in each case, as set forth in the merger agreement.

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**POST-CLOSING SHARE REPURCHASE
PROGRAM AND PLANNED DELEVERAGE TRANSACTIONS**

Subject to the approval of the Colony NorthStar board and subject to its ability to continue to qualify as a REIT, following the closing of the Mergers, Colony NorthStar currently intends to initiate a share repurchase program under which it may repurchase shares of its class A common stock in the open market or otherwise, and/or engage in deleveraging transactions, including repayment of debt or repurchase of preferred stock, in an aggregate amount of up to \$1.0 billion. The actual number of shares to be repurchased will depend, however, on the market price of Colony NorthStar class A common stock at the time it is implemented. Assuming the entire \$1.0 billion program was used to repurchase shares of Colony NorthStar class A common stock, and using the closing price of NSAM common stock as reported on the NYSE on November 11, 2016, the program would involve the purchase of approximately 72.5 million shares of Colony NorthStar class A common stock. It is expected that the program would be in effect initially for one year. There can be no assurance as to the number of shares that will be repurchased or the amount of any deleveraging transactions, and the share repurchase program and/or plans to deleverage can be discontinued at any time.

OTHER RELATED AGREEMENTS

The Voting Agreements

The following section summarizes material provisions of the NorthStar voting agreement and the Colony voting agreement. This summary does not purport to be complete and may not contain all of the information about the NorthStar voting agreement or the Colony voting agreement that is important to you. This summary is subject to, and qualified in its entirety by reference to, the NorthStar voting agreement and the Colony voting agreement, which are attached as Annex I and Annex J, respectively, to this joint proxy statement/prospectus and are incorporated by reference into this joint proxy statement/prospectus. The rights and obligations of the parties are governed by the express terms and conditions of the NorthStar voting agreement and the Colony voting agreement, as applicable, and not by this summary or any other information contained in this joint proxy statement/prospectus. You are urged to read the NorthStar voting agreement and the Colony voting agreement in their entirety before making any decisions regarding the merger agreement or the other transactions contemplated thereby, including the Mergers.

The NorthStar Voting Agreement

Simultaneously with the execution of the merger agreement, Thomas J. Barrack, Jr., who is the only holder of Colony class B common stock, and Richard B. Saltzman entered into a voting and support agreement with NSAM and NRF, which we refer to as the NorthStar voting agreement, pursuant to which each has agreed, among other things, to vote (or cause to be voted) his shares of Colony class A common stock and, in the case of Mr. Barrack, Colony class B common stock, for the Colony merger proposal, the Colony charter proposal and related transactions contemplated by the merger agreement and against any alternative proposal and against any action or agreement that would frustrate the purposes of, or prevent or delay the consummation of, the transactions contemplated by the merger agreement.

As of June 2, 2016, the persons signing the NorthStar voting agreement beneficially owned shares representing, in the aggregate, approximately 16% of the voting power of Colony class A and 100% of the voting power of Colony class B common stock.

The Colony Voting Agreement

Simultaneously with the execution of the merger agreement, David T. Hamamoto, DTH Investment Holdings LLC, an entity controlled by Mr. Hamamoto, Albert Tylis and Daniel R. Gilbert

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entered into a voting and support agreement with Colony, which we refer to as the Colony voting agreement, pursuant to which such individuals and affiliated entities or trusts and DTH Investment Holdings LLC have agreed, among other things, to vote or cause to be voted their respective shares of NSAM common stock and NRF common stock, as applicable, for the NSAM merger proposal, the NSAM charter proposal, the NRF merger proposal, the NRF charter proposal and related transactions contemplated by the merger agreement and against any alternative proposal and against any action or agreement that would frustrate the purposes of, or prevent or delay the consummation of, the transactions contemplated by the merger agreement.

As of June 2, 2016, the persons signing the Colony voting agreement beneficially owned shares representing, in the aggregate, less than 1% of the voting power of NSAM common stock and less than 1% of the voting power of NRF common stock.

The MSD Voting Agreement

On October 16, 2016, MSD, specifically, MSD Partners, L.P., MSD Torchlight Partners, L.P., MSD Capital, L.P., MSD Sparrowhawk, L.P. and Orange Marlin Investments, L.P., each of which is a beneficial owner of certain number of shares of NSAM common stock, which refer to collectively as the MSD holders, entered into a voting agreement with NSAM, pursuant to which the MSD holders have agreed, among other things, to vote or cause to be voted, at the NSAM special meeting, the Colony special meeting and/or the NRF special meeting, any and all of the shares of NSAM common stock, Colony class A common stock and NRF common stock of which they are a beneficial owner, if any, as of the applicable special meeting record date in favor of each of the proposals relating to the transactions contemplated by the merger agreement. In addition, the MSD holders have agreed to certain limitations on the transfer of such shares beneficially owned by them between October 16, 2016 and the earlier of (i) the close of business on the record date for the NSAM special meeting and (ii) November 3, 2016.

As of October 16, 2016, the MSD holders beneficially owned shares representing, in the aggregate, approximately 10.20% of the voting power of NSAM common stock, 0% of the voting power of Colony class A common stock, and 0% of the voting power of NRF common stock.

The NSAM/NRF Side Agreement

The following section summarizes material provisions of the NSAM/NRF side agreement. This summary does not purport to be complete and may not contain all of the information about the NSAM/NRF side agreement that is important to you. This summary is subject to, and qualified in its entirety by reference to, the NSAM/NRF side agreement, which is attached as Annex K, to this joint proxy statement/prospectus and is incorporated by reference into this joint proxy statement/prospectus. The rights and obligations of the parties are governed by the express terms and conditions of the NSAM/NRF side agreement and not by this summary or any other information contained in this joint proxy statement/prospectus. You are urged to read the NSAM/NRF side agreement in its entirety before making any decisions regarding the merger agreement and related transactions contemplated thereby, including the Mergers.

Simultaneously with the execution of the merger agreement, NSAM, NRF and the NRF external manager entered into the NSAM/NRF side agreement pursuant to which the parties thereto agreed that NRF, New NRF Parent, NRF LP, NRF OP Merger Sub and New Parent Merger Sub will not be liable to NSAM and its affiliates for breaches of their obligations under the merger agreement if and to the extent that such breaches result from an action or omission taken or made by NSAM or any of its affiliates in performance of the services or any of the NRF external manager's duties or obligations under the NRF management agreement, unless such action or omission was taken with the prior written consent of the NRF special committee. We refer to such an action or omission as an

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NSAM action and such a breach of the merger agreement by NRF or any of its subsidiaries resulting from an NSAM action as a covered breach. NSAM may not invoke a failure on the part of NRF or any of its subsidiaries party to the merger agreement to comply with or perform their covenants and agreements under the merger agreement or a breach of a representation or warranty by NRF contained in the merger agreement as a basis to either terminate the merger agreement or not consummate the transactions contemplated by the merger agreement, in each case, if and to the extent that such failure to comply or perform results from an NSAM action or if NSAM had knowledge, after reasonable inquiry, that such representation or warranty was untrue as of the date of the merger agreement. Notwithstanding anything to the contrary in the NRF management agreement, the NSAM/NRF side agreement also provides that NSAM will be responsible for all damages and liabilities (including any required payment of transaction expenses or a termination fee in accordance with the merger agreement) paid to Colony under the merger agreement as a result of any NSAM action taken by NSAM or any of its affiliates or any of their respective representatives that would reasonably be expected to result in a covered breach and that should a termination fee become payable by NRF to NSAM, NSAM will waive the payment of such termination fee in excess of \$3 million. The NSAM/NRF side agreement will terminate upon the effective time of the NRF merger.

The Amendment to the Colony Contribution and Implementation Agreement

Simultaneously with the execution of the merger agreement, Colony entered into an amendment to that certain Contribution and Implementation Agreement, dated as of December 23, 2014, by and among Colony, Colony OP, Colony Capital, LLC, Colony Capital Holdings, LLC, Colony Capital OP Subsidiary, LLC, CCH Management Partners I, LLC, FHB Holding LLC and Richard B. Saltzman, which, upon consummation of the Mergers, will amend certain terms related to the payment of contingent consideration under such agreement to take into account the Colony merger and the fact that in connection with the Colony merger, Colony OP will become a subsidiary of Colony NorthStar, Colony will cease to exist and Colony stockholders will become stockholders of Colony NorthStar.

The Tax Protection Agreement

Under Section 704(c) of the Code, a partnership must allocate taxable gain recognized upon a sale of an asset contributed to the partnership to the contributing partner in a manner that takes into account the excess of the fair market value of the asset at the time of contribution over the tax basis of the asset at such time. As a result, a contributing partner could recognize significant taxable gain on the sale of an asset by the partnership, which we refer to as Section 704(c) gain, and may not receive a corresponding distribution of cash.

Prior to the closing of the Mergers, Colony, Colony OP, Colony Capital LLC, CCH Management Partners I, LLC, FHB Holding LLC and Richard B. Saltzman intend to enter into a tax protection agreement. The TPA will provide that each protected member will be indemnified on an after-tax basis for any Section 704(c) gain, calculated as provided in the TPA, as a result of a transaction occurring during the period commencing on June 3, 2016 and ending on the fifth anniversary of the closing of the Mergers and that is considered to be a sale of the tax goodwill or going concern value or airplane owned by Colony OP and contributed (directly or indirectly) by the protected members other than on transfers to the protected members or persons or entities related to the protected members. The TPA will also apply to a merger or other transaction that would convert interests in Colony OP held by the protected members to cash or otherwise result in a taxable disposition of such interests, but would not apply to a transaction in which the equity interests of the protected members are maintained in a manner that does not trigger gain or offers the protected members the option to roll over their investment into an equity interest that is substantially equivalent (including value, profit and loss share, distribution rights and liquidity) to the equity interests exchanged in such transaction.

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The TPA generally will not restrict the sale of real estate or other tangible assets of Colony OP, other than the airplane, or other transactions that would not be treated as a sale of goodwill or going concern value. The Companies do not presently intend to sell or take any other action with respect to the protected property which would result in a payment under the TPA.

The Letter Agreement Re: Severance and Retention Programs

Simultaneously with the execution of the merger agreement, NSAM, Colony and NRF entered into an agreement regarding severance and retention programs to be implemented by Colony NorthStar after the Mergers, which we refer to as the severance and retention programs agreement, pursuant to which Colony and NRF have agreed to cause Colony NorthStar to establish a severance policy of general applicability, which we refer to as the severance policy, and to implement a retention program, which we refer to as the retention program, from which retention awards may be granted to certain of its employees.

Pursuant to the severance and retention programs agreement, the severance policy will provide that each employee of NSAM who is employed at the time of the closing of the Mergers and not otherwise eligible to receive severance benefits under a written employment agreement with NSAM will receive, subject to certain conditions (including execution and non-revocation of a general release of claims), severance benefits in the event that his or her employment is terminated by Colony NorthStar (or any successor corporation, a parent or subsidiary of the successor corporation or any of their respective affiliates) without "cause" on or after the closing of the Mergers and prior to the first anniversary of the closing of the Mergers, provided that such termination is related to the Mergers, as determined by the administrators, consisting of executive officers of NSAM as of the date of the severance and retention programs agreement, in their sole discretion. The severance benefits will consist of: (i) a cash severance payment equal to 26 weeks of "cash compensation" plus eight weeks of "cash compensation" for every year of the participant's service with NSAM (inclusive of service with NRF) in excess of four years of service, including prorated credit for partial years of service; and (ii) continued participation in the medical plans sponsored by the employer, with the employer providing the same level of contribution as it did as of immediately prior to the participant's termination for a period equal to the greater of (A) one month for every completed year of service up to a maximum of 12 months and (B) six months (provided that such coverage shall terminate at such time as the participant obtains coverage from a new employer). In calculating the severance payment, "cash compensation" will include: (i) the base salary paid or payable by NSAM and/or NRF, as applicable; and (ii) the actual cash bonus paid by NSAM and/or NRF, as applicable, in respect of the 2015 calendar year, annualized for any participant who was not employed for the full 2015 calendar year (or, for any participant who was not employed by NSAM during 2015, such amount determined by reference to the 2016 calendar year, annualized for any participant who was not employed for the full 2016 calendar year). The severance benefits under the severance policy may be reduced (but not increased) in whole or in part if the administrators in their sole discretion determine that the facts and circumstances of such termination (including, without limitation, a participant's length of service and the reasons for such termination), warrant such adjustment. The severance and retention programs agreement provides that the aggregate cash severance payable under the severance policy is estimated to be approximately \$15 million, but that the actual amount payable may exceed \$15 million depending on the number of participants who are terminated and become eligible to receive severance benefits.

Pursuant to the severance and retention programs agreement, the administrators also will implement a retention program with an aggregate award pool of \$10.5 million from which awards denominated in shares of Colony NorthStar class A common stock may be granted to promote retention and successful integration following the Mergers, which we refer to as retention awards. Under the retention program, the maximum number of shares of Colony NorthStar class A common stock with respect to which all retention awards may be granted will be determined by dividing \$10.5 million by the closing price of a share of Colony NorthStar class A common stock on the first

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trading day following the closing of the Mergers and the retention awards will be allocated to employees of Colony NorthStar that prior to the closing of Mergers were employed by NSAM identified by, and in amounts as determined by, the administrators in their sole discretion, provided that no more than 15 recipients shall be eligible for retention awards and no administrator will be eligible to receive a retention award. The severance and retention programs agreement provides that each retention award will be granted as soon as practicable, but in no event more than 30 days following the closing of the Mergers, and will vest, subject to the recipient's continued employment with Colony NorthStar as of the applicable vesting date, as follows: (i) $\frac{1}{3}$ of the retention award will vest on the second anniversary of the closing of the Mergers; and (ii) the remaining $\frac{2}{3}$ of the retention award will vest on the third anniversary of the closing of the Mergers, such that the retention award will vest in full on the third anniversary of the closing of the Mergers. The retention awards will accrue dividends, a portion of which will become payable upon each applicable vesting date. The unvested portion of a retention award will immediately vest (and any dividends accrued thereon will become immediately payable) in the event a recipient's employment with Colony NorthStar is terminated by Colony NorthStar without "cause" prior to the third anniversary of the closing of the Mergers.

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**COLONY NORTHSTAR UNAUDITED PRO FORMA CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS**

The following unaudited pro forma condensed consolidated financial statements and notes set forth the impact of the Mergers and related transactions on the historical financial condition and results of operations of Colony, NSAM and NRF. The unaudited pro forma condensed consolidated financial statements were prepared using the acquisition method of accounting for business combinations with the Mergers accounted for as a reverse acquisition. In the Mergers, NSAM is the legal acquirer while Colony is considered to be the accounting acquirer for financial reporting purposes. The unaudited pro forma condensed consolidated financial statements give effect to: (i) completion of the Mergers; (ii) the NRF management agreement ceasing to exist; and (iii) completion of certain sales initiatives by NRF, which we refer to as NRF Sales Initiatives, that were executed or are under contract as of the date of this joint proxy statement/prospectus.

The unaudited pro forma condensed consolidated balance sheet consolidates the historical consolidated balance sheets of Colony, NSAM and NRF, giving effect to the Mergers and related transactions and NRF Sales Initiatives as if they had been consummated on September 30, 2016. The unaudited pro forma condensed consolidated statements of operations for the nine months ended September 30, 2016 and year ended December 31, 2015 consolidates the historical consolidated statements of operations of Colony, NSAM and NRF, giving effect to the Mergers and related transactions and NRF Sales Initiatives as if they had been consummated on January 1, 2015, the beginning of the earliest period presented. The unaudited pro forma condensed consolidated financial statements are derived from and should be read in conjunction with the historical consolidated financial statements and notes thereto included in each of Colony's, NSAM's and NRF's respective Annual Reports on Form 10-K for year ended December 31, 2015, as amended, and each of Colony's, NSAM's and NRF's respective Quarterly Reports on Form 10-Q for the nine months ended September 30, 2016, which are incorporated by reference into this joint proxy statement/prospectus. Refer to "Where You Can Find More Information; Incorporation by Reference" beginning on page 420 of this joint proxy statement/prospectus.

The unaudited pro forma condensed consolidated financial statements reflect the assets, liabilities and non-controlling interests of NSAM and NRF at their estimated fair value as of September 30, 2016 based upon a preliminary allocation of the consideration to be received by Colony stockholders, NSAM stockholders and NRF stockholders, respectively, in connection with the Mergers, which we refer to as the merger consideration. A final determination of the fair value and allocation of the merger consideration will be based upon the actual assets, liabilities and non-controlling interests as of the date of completion of the Mergers. The value of the per share consideration will be determined based on the trading price of Colony common stock and NRF preferred stock at the time of the completion of the Mergers. Accordingly, the estimated fair value and allocation of the merger consideration are subject to adjustment and may vary significantly from the actual fair value and allocation of the merger consideration upon completion of the Mergers, if completed. As of the date of this joint proxy statement/prospectus, the Companies expect the closing of the Mergers will occur in January 2017.

The unaudited pro forma condensed consolidated financial statements are presented for illustrative purposes only and are not necessarily indicative of the financial position or results of operations of the Companies had the Mergers and related transactions and NRF Sales Initiatives been completed as of the beginning of the earliest period presented, nor indicative of future results of operations or future financial position of the combined company. The unaudited pro forma condensed consolidated financial statements do not reflect the costs of any integration activities or full benefits that may result from realization of future cost savings from operating efficiencies, revenue or other incremental synergies expected to result from the Mergers. The unaudited pro forma condensed consolidated financial statements reflect management's best estimate based on available information and may be revised as additional information becomes available and as additional analyses are performed.

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UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET
September 30, 2016
(In thousands)

	Historical (Note 2)			Pro Forma Adjustments (Note 4)			Fair Value Adjustment ^(C)	Colony NorthStar Pro Forma Consolidated
	Colony	NSAM	NRF	NRF Sales Initiatives ^(A)	Merger Adjustments ^(B)			
Assets								
Cash and cash equivalents	\$ 440,173	\$ 85,593	\$ 725,360	\$ 1,317,920	\$ (1,110,991)	(1)(2)(3)	\$	\$ 1,458,055
Restricted cash	148,396	26,599	180,068	(4,986)				350,077
Operating real estate, net	3,294,122		7,371,996				1,710,792	12,376,910
Real estate debt investments, net	3,685,654		348,539				544	4,034,737
Real estate debt investments, held for sale	56,357							56,357
Investments in private equity funds, at fair value	1,507		484,876					486,383
Investments in unconsolidated ventures	1,004,388	97,107	161,744		(39,443)	(2)	16,250	1,240,046
Real estate securities, available for sale	23,882		526,966					550,848
Securities, at fair value		38,438			(35,741)	(4)		2,697
Due from affiliates	13,718	109,753	1,888		(46,939)	(5)		78,420
Goodwill	680,127	243,328	44,767				94,806	1,063,028
Intangible assets, net	305,204	203,728	298,950		(1,800,000)	(6)	2,653,591	1,661,473
Assets of properties held for sale	216,339		2,653,959	(2,533,088)			(11,775)	325,435
Other assets	276,774	41,784	565,776	(208,260)	(5,053)	(7)	12,033	683,054
Total assets	\$ 10,146,641	\$ 846,330	\$ 13,364,889	\$ (1,428,414)	\$ (3,038,167)		\$ 4,476,241	\$ 24,367,520
Liabilities								
Mortgage and other notes payable	\$ 2,249,834	\$	\$ 6,922,027	\$ (692,231)	\$		\$ (63,220)	8,416,410
Credit facilities and term borrowings	486,176	468,679	420,409		(889,087)	(8)	28,821	514,998
Convertible senior notes	592,382		27,356				2,085	621,823
Securitization bonds payable	632,828		257,877					890,705
Junior subordinated notes, at fair value			191,175					191,175
Accounts payable and other liabilities	293,544	91,155	205,142	7,321	97,786	(9)	177,080	872,028
Due to affiliates - contingent consideration	39,350							39,350
Due to related parties			46,939		(46,939)	(5)		
Intangible liabilities, net	22,791		113,967		(1,800,000)	(6)	1,830,124	166,882
Dividends payable	65,924							65,924
Liabilities of assets held for sale	112,266		1,502,659	(1,408,179)			(41,051)	165,695
Derivative liabilities, at fair value	8,677		302,316					310,993
Total liabilities	4,503,772	559,834	9,989,867	(2,093,089)	(2,638,240)		1,933,839	12,255,983
Commitments and contingencies								
Redeemable non-controlling interests		75,149						75,149
Equity								
Performance common stock		52						52
Preferred stock	606,950		939,118				30,340	1,576,408
Common stock	1,139	1,890	1,807		715	(10)		5,551
Additional paid-in capital	2,432,716	246,171	5,116,100		(2,539,594)	(11)	2,285,172	7,540,565
Accumulated other comprehensive income (loss)	(23,897)	(210)	(63,709)		63,919	(11)		(23,897)

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Retained earnings (accumulated deficit)	(183,585)	(38,554)	(2,891,153)	384,044	2,112,267	(12)	(616,981)
Total stockholders' equity	2,833,323	209,349	3,102,163	384,044	(362,693)		2,315,512 8,481,698
Non-controlling interests investments	2,406,753		241,061	280,631			226,890 3,155,335
Non-controlling interests operating partnership	402,793	1,998	31,798		(37,234)	(11)	399,355
Total equity	5,642,869	211,347	3,375,022	664,675	(399,927)		2,542,402 12,036,388
Total liabilities, redeemable non-controlling interests and equity	\$ 10,146,641	\$ 846,330	\$ 13,364,889	\$ (1,428,414)	\$ (3,038,167)		\$ 4,476,241 \$ 24,367,520

Refer to accompanying notes to unaudited pro forma condensed consolidated financial statements.

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UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
Nine Months Ended September 30, 2016
(In thousands, except per share data)

	Historical (Note 2)			Pro Forma Adjustments (Note 5)			Colony NorthStar Pro Forma Consolidated
	Colony	NSAM	NRF	NRF Sales Initiatives ^(D)	Merger Adjustments ^(E)	Fair Value Adjustment ^(F)	
Revenues							
Rental and escalation income	\$ 254,640	\$	\$ 527,252	\$ (265,336)	\$	\$ (16,371) ⁽⁸⁾	\$ 500,185
Hotel operating income	24,830		636,283				661,113
Resident fee income			219,193				219,193
Interest income	291,496		115,117	(13,524)			393,089
Fee income	49,347	276,339			(139,955) ⁽¹⁾		185,731
Selling commission and dealer manager fees, related parties		15,115					15,115
Other income	10,071	7,569	14,747	(6,221)	20,130 ⁽¹⁾		46,296
Total revenues	630,384	299,023	1,512,592	(285,081)	(119,825)	(16,371)	2,020,722
Expenses							
Management fee			139,955		(139,955) ⁽¹⁾		
Interest expense	126,635	18,968	362,052	(76,281)	(39,635) ⁽²⁾	(1,197) ⁽⁹⁾	390,542
Property operating expenses	89,469		708,934	(95,278)		(543) ⁽¹⁰⁾	702,582
Commission expense		14,025					14,025
Other expense investment and servicing expenses	17,448	5,461	20,933	(1,424)			42,418
Transaction costs	18,638	32,127	15,590	(186)	(46,114) ⁽¹⁾		20,055
Impairment losses	5,461		75,506				80,967
Provision for loan losses	17,412		7,974	(3,051)			22,335
General and administrative expenses							
Compensation expense	80,689	107,547	23,295		(9,215) ⁽¹⁾		202,316
Other general and administrative expenses	38,760	31,180	12,708		4,003 ⁽¹⁾		86,651
Total general and administrative expenses	119,449	138,727	36,003		(5,212)		288,967
Depreciation and amortization	129,276	7,355	260,287	(33,106)		94,621 ⁽¹¹⁾	458,433
Total expenses	523,788	216,663	1,627,234	(209,326)	(230,916)	92,881	2,020,324
Other income (loss)							
Unrealized gain (loss) on investments and other		(10,197)	(269,052)		10,475 ⁽³⁾		(268,774)
Realized gain (loss) on investments and other	68,114	(874)	(11,768)	(36,914)			18,558
Other gain (loss), net	18,270						18,270
Income (loss) before equity in earnings (losses) of unconsolidated ventures and income tax benefit (expense)							
	192,980	71,289	(395,462)	(112,669)	121,566	(109,252)	(231,548)
Equity in (loss) income of unconsolidated ventures	72,226	(5,094)	101,838	(10,799)	(3,526) ⁽⁴⁾		154,645
Income tax benefit (expense)	865	(9,331)	(12,329)	3,162	(12,692) ⁽⁵⁾		(30,325)
Income (loss) from continuing operations	266,071	56,864	(305,953)	(120,306)	105,348	(109,252)	(107,228)
Redeemable non-controlling interests		2,991					2,991
Non-controlling interests investments	130,508		(4,423)	(3,602)	7,373 ⁽⁶⁾	(1,475) ⁽¹²⁾	128,381
Non-controlling interests operating partnership	15,528	533	(3,537)		(31,086) ⁽⁷⁾		(18,562)
Preferred stock dividends	36,066		63,178				99,244
Net income (loss) from continuing operations attributable to common stockholders	\$ 83,969	\$ 53,340	\$ (361,171)	\$ (116,704)	\$ 129,061	\$ (107,777)	\$ (319,282)

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Earnings (loss) per share:^(G)

Basic	\$	0.73	\$	0.28	\$	(2.00)	\$	(0.58)
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Diluted	\$	0.73	\$	0.28	\$	(2.00)	\$	(0.58)
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Weighted average number of shares:^(G)

Basic	112,133	183,251	180,803	550,078
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Diluted	112,133	185,083	182,664	551,916
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Refer to accompanying notes to unaudited pro forma condensed consolidated financial statements.

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UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
Year Ended December 31, 2015
(In thousands, except per share data)

	Historical (Note 2)			Pro Forma Adjustments (Note 5)			Colony NorthStar Pro Forma Consolidated
	Colony ^(a)	NSAM	NRF	NRF Sales Initiatives ^(D)	Merger Adjustments ^(E)	Fair Value Adjustment ^(F)	
Revenues							
Rental and escalation income	\$ 244,823	\$	\$ 732,425	\$ (381,981)	\$	\$ 46,630 ⁽⁸⁾	\$ 641,897
Hotel operating income	55,048		784,151				839,199
Resident fee income			271,394				271,394
Interest income	417,305		227,483	(45,451)			599,337
Fee income	65,813	307,988			(198,695) ⁽¹⁾		175,106
Selling commission and dealer manager fees, related parties		126,907					126,907
Other income	11,382	926	29,466	(10,339)	36,484 ⁽¹⁾		67,919
Total revenues	794,371	435,821	2,044,919	(437,771)	(162,211)	46,630	2,721,759
Expenses							
Management fee	15,062		198,695		(198,695) ⁽¹⁾		15,062
Interest expense	133,094	778	495,086	(109,499)	(36,035) ⁽²⁾	(2,673) ⁽⁹⁾	480,751
Property operating expenses	117,713		915,701	(150,954)		453 ⁽¹⁰⁾	882,913
Commission expense		117,390					117,390
Other expense investment and servicing expenses	23,369	1,657	26,607	(11,992)			39,641
Transaction costs	38,888	9,665	31,427	(1,833)			78,147
Impairment losses	11,192		31,951				43,143
Provision for loan losses	37,475		4,201	(1,961)			39,715
General and administrative expenses							
Compensation expense	84,506	125,817	41,437		18,740 ⁽¹⁾		270,500
Other general and administrative expenses	38,238	33,386	16,658		4,901 ⁽¹⁾		93,183
Total general and administrative expenses	122,744	159,203	58,095		23,641		363,683
Depreciation and amortization	140,977	1,863	456,916	(148,301)		157,185 ⁽¹¹⁾	608,640
Total expenses	640,514	290,556	2,218,679	(424,540)	(211,089)	154,965	2,669,085
Other income (loss)							
Unrealized gain (loss) on investments and other		(4,274)	(204,112)		3,745 ⁽³⁾		(204,641)
Realized gain (loss) on investments and other	8,962		14,407	1,709			25,078
Gain on remeasurement of consolidated investment entities, net	41,486						41,486
Other gain (loss), net	(5,170)						(5,170)
Income (loss) before equity in earnings (losses) of unconsolidated ventures and income tax benefit (expense)	199,135	140,991	(363,465)	(11,522)	52,623	(108,335)	(90,573)
Equity in income of unconsolidated ventures	47,605	1,625	219,077	(77,851)	(4,443) ⁽⁴⁾		186,013
Income tax benefit (expense)	9,296	(21,869)	(14,325)	8,565	9,711 ⁽⁵⁾		(8,622)
Income (loss) from continuing operations	256,036	120,747	(158,713)	(80,808)	57,891	(108,335)	86,818
Non-controlling interests investments	86,123		(20,802)	7,896	13,522 ⁽⁶⁾	8,075 ⁽¹²⁾	94,814
Non-controlling interests operating partnership	19,933	953	(3,206)		(25,086) ⁽⁷⁾		(7,406)
Preferred stock dividends	42,569		84,238				126,807
Net income (loss) from continuing operations attributable to common stockholders	\$ 107,411	\$ 119,794	\$ (218,943)	\$ (88,704)	\$ 69,455	\$ (116,410)	\$ (127,397)

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Earnings (loss) per share:^(G)

Basic	\$	0.96	\$	0.61	\$	(1.25)	\$	(0.23)
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Diluted	\$	0.96	\$	0.60	\$	(1.25)	\$	(0.23)
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Weighted average number of shares:^(G)

Basic	110,931	188,706	174,873	548,328
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Diluted	110,931	193,119	176,345	549,781
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(a)

On April 2, 2015, Colony became an internally managed company by acquiring its manager, Colony Financial Manager, LLC, a wholly owned subsidiary of Colony Capital, LLC, as part of a combination transaction. Prior to such time, Colony was externally managed. The condensed consolidated pro forma statement of operations for the year ended December 31, 2015 does not adjust for activities prior to such combination transaction.

Refer to accompanying notes to unaudited pro forma condensed consolidated financial statements.

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Notes to the Colony NorthStar Unaudited Pro Forma Condensed Consolidated Financial Statements

Note 1. Description of the Mergers

On June 2, 2016, a merger agreement was entered into among Colony, NSAM and NRF which provides for the mergers of Colony, NSAM and NRF with and into Colony NorthStar, as the publicly-traded company for the combined organizations. Upon the closing of the Mergers, Colony stockholders will own approximately 33.25%, NSAM stockholders will own approximately 32.85% and NRF stockholders will own approximately 33.90% of Colony NorthStar, on a fully diluted basis, excluding the effect of certain equity-based awards issuable in connection with the Mergers. Prior to the closing of the Mergers, NSAM expects the NSAM board or a duly authorized committee thereof to declare a special cash dividend in the amount of \$228 million to NSAM common stockholders.

Each share of Colony class A and class B common stock issued and outstanding immediately prior to the effective time of the Mergers will be canceled and converted into the right to receive 1.4663 shares of Colony NorthStar class A and class B common stock, respectively. Concurrently, Colony OP will issue additional partnership units to equal the number of operating partnership units outstanding on the day prior to the closing of the Mergers multiplied by the exchange ratio of 1.4663.

Each share of NSAM common stock and NSAM performance common stock issued and outstanding immediately prior to the effective time of the Mergers will be canceled and converted into the right to receive one share of Colony NorthStar class A common stock and Colony NorthStar performance common stock, respectively.

In connection with the merger of NRF LP with and into NRF and related reorganization transactions: (i) each NRF LTIP unit outstanding as of immediately prior to such effective time will be deemed to be fully vested and converted into one share of NRF common stock; (ii) each partnership unit in NRF LP designated as a partnership common unit outstanding as of immediately prior to such effective time (other than those held by NRF) will be converted into one share of NRF common stock; and (iii) each other interest in NRF LP held by NRF will no longer be outstanding and will automatically be canceled and will cease to exist.

In connection with the merger of New Parent Merger Sub with and into NRF: (i) each share of NRF common stock issued and outstanding as of immediately prior to the effective time of such merger automatically will be canceled and converted into the right to receive one share of New NRF Parent common stock; and (ii) each share of each series of NRF preferred stock will be converted into the right to receive one share of a corresponding series of New NRF Parent preferred stock.

At the effective time of the NRF merger, each share of New NRF Parent common stock will be converted into the right to receive 1.0996 shares of Colony NorthStar class A common stock.

Each share of each series of the Colony and NRF preferred stock (New NRF Parent preferred stock) issued and outstanding immediately prior to the effective time of the Mergers will be canceled and converted into the right to receive one share of a corresponding series of Colony NorthStar preferred stock, having substantially the same preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends, qualifications and terms and conditions of redemption.

In connection with the strategic initiatives of NRF, NRF continues to execute a series of sales initiatives which include: (i) sales of certain real estate assets; (ii) sales of certain limited partnership interests in real estate private equity funds; and (iii) sales and/or accelerated repayments of certain commercial real estate, or CRE, debt and securities investments.

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Under the merger agreement, NRF is required to use reasonable best efforts to continue certain agreed upon sales initiatives. In addition, in connection with the Mergers, NSAM and NRF plan to repay their respective outstanding corporate borrowings, which we refer to, collectively, as the NorthStar corporate borrowings (excluding NRF's \$280 million of trust preferred securities with maturities beginning in 2035), contemporaneous with the closing of the Mergers.

The completion of the Mergers is subject to, among other things, regulatory approvals and the receipt of Colony, NSAM and NRF stockholder approval. As of the date of this joint proxy statement/prospectus, the Mergers are expected to be completed in January 2017.

Note 2. Basis of Presentation

The unaudited pro forma condensed consolidated financial statements relating to the mergers of Colony, NSAM and NRF are prepared as of and for the nine months ended September 30, 2016 and for the year ended December 31, 2015, in accordance with Article 11 of Regulation S-X and, in the opinion of management, reflect all necessary adjustments. Accordingly, the historical financial information of Colony, NSAM and NRF has been adjusted to give pro forma effect to all significant events that are: (i) directly attributable to the Mergers and related transactions and NRF Sales Initiatives; (ii) factually supportable; and (iii) with respect to the unaudited pro forma condensed consolidated statements of operations, expected to have a continuing impact on the results of the combined company.

The unaudited pro forma condensed consolidated balance sheet as of September 30, 2016 is presented as if the Mergers and related transactions and NRF Sales Initiatives had become effective on September 30, 2016. The unaudited pro forma condensed consolidated statements of operations for the nine months ended September 30, 2016 and year ended December 31, 2015 are presented as if the Mergers and related transactions and NRF Sales Initiatives had become effective on January 1, 2015, the beginning of the earliest period presented.

Certain amounts in the historical consolidated financial statements of Colony, NSAM and NRF have been reclassified to conform to the presentation of the combined company in the unaudited pro forma condensed consolidated financial statements. Discontinued operations reported in NRF's historical consolidated statement of operations for the year ended December 31, 2015 have been excluded from the unaudited pro forma condensed consolidated statement of operations for the year ended December 31, 2015.

Significant transactions between NSAM and NRF during the nine months ended September 30, 2016 and year ended December 31, 2015 have been eliminated in the unaudited pro forma condensed consolidated financial statements as if NSAM and NRF were consolidated affiliates during these periods. There were no transactions between Colony and either NSAM or NRF during the periods presented.

The Mergers are accounted for under the acquisition method for business combinations as a reverse acquisition pursuant to *Accounting Standards Codification Topic 805, Business Combinations*. In the Mergers, NSAM is the legal acquirer while Colony is considered to be the accounting acquirer for financial reporting purposes. The consideration to be transferred establishes a new accounting basis for the assets acquired, liabilities assumed and non-controlling interests of NSAM and NRF, measured at their respective fair value as of the date the Mergers are consummated. Accordingly, the unaudited pro forma condensed consolidated financial statements include adjustments to record the assets, liabilities and non-controlling interests of NSAM and NRF at their estimated fair value, which are preliminary and subject to revision. To the extent fair value of the merger consideration exceeds fair value of net assets acquired, any such excess represents goodwill. Alternatively, if fair value of net assets acquired

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exceeds fair value of the merger consideration, the transaction could result in a bargain purchase gain that is recognized immediately in earnings and attributable to Colony NorthStar common stockholders. Adjustments to estimated fair value of identifiable assets and liabilities of NSAM and NRF, as well as adjustments to the merger consideration may change the determination and amount of goodwill and/or bargain purchase gain and may impact depreciation, amortization and accretion based on revised fair value of assets acquired and liabilities assumed. The actual value of the merger consideration will depend upon the market price of the Colony common stock and the NRF preferred stock at the time of closing of the Mergers. The final fair value and allocation of merger consideration will be determined upon completion of the Mergers, with the allocation to be finalized as soon as practicable within the measurement period of no later than one year following the closing date of the Mergers. The final acquisition accounting may vary significantly from that reflected in the unaudited pro forma condensed consolidated financial statements.

The unaudited pro forma condensed consolidated financial statements are presented for illustrative purposes only and are not necessarily indicative of the financial position or results of operations of the Companies had the Mergers and related transactions and NRF Sales Initiatives been completed as of the beginning of the earliest period presented, nor indicative of future results of operations or future financial position of the combined company. The unaudited pro forma condensed consolidated financial statements do not reflect the costs of any integration activities or full benefits that may result from realization of future cost savings from operating efficiencies, revenue or other incremental synergies expected to result from the Mergers. Additionally, the unaudited pro forma condensed consolidated financial statements should be read in connection with the historical consolidated financial statements and notes thereto included in each of Colony's, NSAM's and NRF's respective Annual Reports on Form 10-K for the year ended December 31, 2015, as amended, and each of Colony's, NSAM's and NRF's respective Quarterly Reports on Form 10-Q for the nine months ended September 30, 2016. The unaudited pro forma condensed consolidated financial statements represent management's best estimate based on available information and may be revised as additional information becomes available and as additional analyses are performed.

Note 3. Pro Forma Merger Consideration

Pursuant to the merger agreement, NSAM common stock will first be converted into Colony NorthStar common stock through the Redomestication merger. NSAM will then acquire 100% of the common stock and preferred stock of Colony and NRF through the conversion of all such outstanding shares, based on pre-determined exchange ratios, into shares of Colony NorthStar.

As the Mergers are accounted for as a reverse acquisition, the fair value of the consideration transferred is measured based upon: (i) the number of shares of common stock Colony, as the accounting acquirer, would theoretically have to issue to the stockholders of NSAM and NRF to achieve the same ratio of ownership in Colony NorthStar upon completion of the Mergers; and (ii) applying the Colony class A common stock price.

As a result, the implied shares of Colony common stock issued in consideration was computed based on the number of outstanding shares of NSAM and NRF common stock prior to the Mergers divided by the exchange ratios of 1.4663 and 1.3335, respectively.

Substantially all NSAM and NRF equity awards will vest upon consummation of the Mergers. As Colony NorthStar is obligated to issue Colony NorthStar common stock upon consummation of the Mergers and settlement of these equity awards relate to pre-combination services, these equity awards form part of the outstanding shares of NSAM and NRF common stock that are used to determine the merger consideration.

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Any NSAM and NRF equity awards that do not vest by their terms upon consummation of the Mergers will be assumed by Colony NorthStar through conversion into comparable Colony NorthStar equity awards with substantially the same terms. Accordingly, these equity awards are not included in the outstanding shares of NSAM and NRF common stock that are used to determine the merger consideration and will be recognized as compensation expense in the post-combination period.

The pro forma merger consideration is estimated as follows (in thousands, except per share):

	NSAM	NRF	Total
Outstanding shares of common stock prior to the Mergers	189,487	183,251	
Exchange ratio ⁽ⁱ⁾	1.4663	1.3335	
Implied shares of Colony common stock issued in consideration	129,228	137,421	266,649
Price per share of Colony common stock ⁽ⁱⁱ⁾	\$ 18.90	\$ 18.90	\$ 18.90
Fair value of implied shares of Colony common stock issued in consideration	\$ 2,442,409	\$ 2,597,257	\$ 5,039,666
Fair value of Colony NorthStar preferred stock to be issued ⁽ⁱⁱⁱ⁾		969,458	969,458
Total pro forma merger consideration	\$ 2,442,409	\$ 3,566,715	\$ 6,009,124

- (i) Represents (a) the pre-determined exchange ratio of one Colony share for 1.4663 Colony NorthStar shares; and (b) the derived exchange ratio of one Colony share for 1.3335 NRF shares based on the pre-determined exchange ratio of one NRF share for 1.0996 Colony NorthStar shares.
- (ii) The pro forma merger consideration was determined based on the closing price of Colony common stock of \$18.90 on November 9, 2016.
- (iii) Fair value of Colony NorthStar preferred stock to be issued is estimated based on the shares of NRF preferred stock outstanding as of September 30, 2016 multiplied by the closing price, which represents the clean price, of the respective series of NRF preferred stock as of November 9, 2016, as follows (in thousands, except per share):

	Number of Shares Outstanding	Price Per Share	Fair Value
NRF Preferred Stock			
Series A 8.75%	2,467	\$ 24.50	\$ 60,442
Series B 8.25%	13,999	23.99	335,836
Series C 8.875%	5,000	24.86	124,300
Series D 8.50%	8,000	25.06	200,480
Series E 8.75%	10,000	24.84	248,400
Fair value of Colony NorthStar preferred stock to be issued			\$ 969,458

The following table presents a summary of the preliminary purchase price allocation of the pro forma merger consideration to the assets acquired, liabilities assumed and non-controlling interests of NSAM and NRF based on their respective estimated fair value as of September 30, 2016, after adjusting for NRF Sales Initiatives. Based on current estimates, the consideration to be transferred is in excess of the estimated fair value of assets and liabilities for both NSAM and NRF thereby resulting in

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goodwill that is recognized as a fair value adjustment in the unaudited pro forma condensed consolidated balance sheet (in thousands):

	NSAM	NRF	Total
Pro forma merger consideration⁽ⁱ⁾	\$ 2,442,409	\$ 3,566,715	\$ 6,009,124
Preliminary allocation of pro forma merger consideration:			
Assets acquired	2,953,665	13,886,740	16,840,405
Liabilities assumed	(765,735)	(9,624,716)	(10,390,451)
Redeemable non-controlling interests	(75,149)		(75,149)
Non-controlling interests investments		(748,582)	(748,582)
Fair value of net assets acquired⁽ⁱⁱ⁾	2,112,781	3,513,442	5,626,223
Preliminary pro forma goodwill	\$ 329,628	\$ 53,273	\$ 382,901

(i)

Refer to the table Note 3 above, *Total pro forma merger consideration*.

(ii)

Refer to fair value of net assets acquired in Note 4.C, *Adjustments to Unaudited Pro Forma Condensed Consolidated Balance Sheet Fair Value Adjustments*.

The pro forma merger consideration does not purport to represent the actual value of the merger consideration, which will be measured on the closing date of the Mergers at the then-current market price per share of Colony common stock and NRF preferred stock. The exchange ratios are not subject to adjustments to account for fluctuations in the share prices of Colony, NSAM or NRF common stock between now and the closing date of the Mergers. Therefore, the implied value of the merger consideration, and consequently, the resulting goodwill, may vary significantly due to movements in the Colony common stock and NRF preferred stock. For example, each 10% increase or decrease in the price of Colony common stock on the closing date of the Mergers from the price of Colony common stock assumed in these unaudited pro forma condensed consolidated financial statements would result in an increase or decrease in the estimated merger consideration of \$504.0 million and a corresponding increase or decrease in goodwill or result in a bargain purchase gain to the extent that merger consideration does not exceed the fair value of net assets acquired, measured separately for each acquired entity.

The estimated fair value and preliminary allocation of merger consideration are subject to revisions and will be finalized upon completion of the Mergers.

Note 4. Adjustments to the Unaudited Pro Forma Condensed Consolidated Balance Sheet**A. NRF Sales Initiatives**

The following table presents a summary of the pro forma adjustments to the unaudited condensed consolidated balance sheet as of September 30, 2016 related to NRF Sales Initiatives. Such adjustments eliminate the net assets of those asset sales under contract but not yet sold as of

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November 4, 2016 as presented in NRF's Quarterly Report on Form 10-Q for the nine months ended September 30, 2016 (in thousands):

	Manufactured Housing⁽¹⁾	Medical Office Buildings⁽²⁾	Multifamily⁽³⁾	Private Equity Portfolio⁽⁴⁾	Healthcare Joint Venture⁽⁵⁾	Total NRF Sales Initiatives
Assets						
Cash and cash equivalents ⁽⁶⁾	\$ 613,750	\$ 114,828	\$ 44,670	\$ 204,672	\$ 340,000	\$ 1,317,920
Restricted cash		(945)	(4,041)			(4,986)
Assets of properties held for sale ⁽⁷⁾	(1,592,357)	(807,731)	(133,000)			(2,533,088)
Other assets	(276)	(2,632)	(680)	(204,672)		(208,260)
Total assets	\$ (978,883)	\$ (696,480)	\$ (93,051)		\$ 340,000	\$ (1,428,414)
Liabilities						
Mortgage and other notes payable	\$	\$ (692,231)	\$	\$	\$	\$ (692,231)
Accounts payable and other liabilities	(1,473)	(8,161)	(3,045)		20,000	7,321
Liabilities of properties held for sale ⁽⁷⁾	(1,281,438)	(19,229)	(107,512)			(1,408,179)
Total liabilities	(1,282,911)	(719,621)	(110,557)		20,000	(2,093,089)
Equity						
Stockholders' equity	325,924	49,182	18,938		(10,000)	384,044
Non-controlling interests investments	(21,896)	(26,041)	(1,432)		330,000	280,631
Total equity	304,028	23,141	17,506		320,000	664,675
Total liabilities and equity	\$ (978,883)	\$ (696,480)	\$ (93,051)		\$ 340,000	\$ (1,428,414)

-
- (1) In May 2016, NRF entered into an agreement to sell its manufactured housing portfolio for \$2.0 billion with \$1.3 billion of related mortgage financing (recorded in liabilities of properties held for sale) expected to be assumed by the buyer as part of the transaction. NRF expects to receive \$614.8 million of net proceeds, including a \$50.0 million deposit made by the buyer. The transaction is expected to close in the first quarter 2017.
- (2) In September 2016, NRF entered into a definitive agreement to sell a portfolio of medical office buildings for \$837.9 million with \$692.2 million of related mortgage financing expected to be paid off as part of the transaction. NRF expects to receive \$114.8 million of net proceeds. The transaction is expected to close in the fourth quarter 2016.
- (3) To date through November 2016, the Company sold ten multifamily properties for \$307.0 million with \$210.0 million of mortgage financing assumed as part of the transaction. The above adjustment represents the remaining six properties sold subsequent to September 30, 2016. The Company received \$85.0 million of net proceeds from such sales.
- (4) In September 2016, NRF sold a portfolio of PE Investments for a gross sales price of \$317.6 million with \$44.7 million of deferred purchase price assumed as part of the transaction. NRF received \$33.9 million of net proceeds and will receive the remaining \$204.7 million of net proceeds in the fourth quarter 2016.
- (5) In November 2016, NRF entered into an agreement to sell a non-controlling interest in its healthcare portfolio for net proceeds of approximately \$340 million.

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(6) Proceeds from such sales are net of cash and cash equivalent balances as of September 30, 2016, as applicable.

(7) The following table presents the major classes of long-lived assets and liabilities classified as held for sale as of September 30, 2016 (in thousands):

Description	Assets				Liabilities			
	Operating Real Estate ⁽ⁱ⁾	Intangible Assets ⁽ⁱⁱ⁾	Other Assets ⁽ⁱⁱⁱ⁾	Total	Mortgage and Other Notes Payable	Intangible Liabilities	Other Liabilities ^(iv)	Total
Manufactured housing communities	\$ 1,441,656	\$ 23,983	\$ 126,718	\$ 1,592,357	\$ 1,255,454	\$	\$ 25,984	\$ 1,281,438
Medical office buildings	742,485	63,818	1,428	807,731		19,229		19,229
Multifamily	133,000			133,000	107,512			107,512
Total	\$ 2,317,141	\$ 87,801	\$ 128,146	\$ 2,533,088	\$ 1,362,966	\$ 19,229	\$ 25,984	\$ 1,408,179

(i) Operating real estate is comprised of the following (in thousands):

Operating real estate held-for-sale	Manufactured Housing Communities		Medical Office Buildings	Multifamily	Total
	Land and improvements	\$ 1,453,007	\$ 65,097	\$ 15,333	\$ 1,533,437
Buildings and improvements	141,593	723,719	128,517	993,829	
Furniture, fixtures and equipment	7,814	29	329	8,172	
Subtotal	1,602,414	788,845	144,179	2,535,438	
Less: accumulated depreciation	(160,758)	(46,360)	(11,179)	(218,297)	
Total	\$ 1,441,656	\$ 742,485	\$ 133,000	\$ 2,317,141	

(ii) Represents the carrying value of in-place and above-market leases net of amortization.

(iii) Includes cash and cash equivalents, restricted cash, accounts, notes and other receivables.

(iv) Includes interest, taxes and accounts payable.

B. Merger Adjustments

(1) Includes an adjustment related to the payment of the NSAM special dividend of \$228.0 million. Refer to footnote 12.

(2) Includes an adjustment for the expected disposition of NSAM's investment in Island Hospitality Management Inc., which, for the purpose of this pro forma adjustment, is assumed to be at its carrying value of \$39.4 million. NSAM's investment in Island Hospitality Management Inc. is expected to be sold in connection with the Mergers.

(3) The following table presents a summary of merger-related adjustments in connection with the pay down of NorthStar corporate borrowings (in thousands):

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Adjustments to cash and cash equivalents related to the pay down of the NorthStar corporate borrowings:

	NSAM	NRF	Total
Principal pay down of NorthStar corporate borrowings (refer to footnote 8)	\$ (497,500)	\$ (425,000)	\$ (922,500)
Prepaid interest (refer to footnote 7)		4,328	4,328
Interest payable (refer to footnote 9)	(4,262)		(4,262)
Total	\$ (501,762)	\$ (420,672)	\$ (922,434)

(4) Represents the elimination of the carrying value of NSAM's ownership of 2.7 million shares of NRF common stock. Refer to footnotes 10 and 11.

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- (5) Represents the elimination of the management fee receivable (payable) between NSAM and NRF, respectively.
- (6) Represents the elimination of the fair value of the management contract value between NSAM and NRF, which will cease to exist upon completion of the Mergers. Refer to Note 4.C, *Fair Value Adjustments* for further disclosure.
- (7) The following table presents a summary of merger-related adjustments related to other assets (in thousands):

<i>Adjustments related to other assets:</i>	NRF
Deferred financing costs	\$ (725) ⁽ⁱ⁾
Prepaid interest	(4,328) ⁽ⁱⁱ⁾
Total	\$ (5,053)

-
- (i) Represents an adjustment to eliminate deferred financing costs related to NRF's corporate revolving credit facility, which is expected to be paid down and terminated in connection with the Mergers. Refer to footnotes 3 and 12 for additional information.
- (ii) Represents an adjustment to eliminate prepaid interest related to NRF's term borrowing, which is expected to be paid down and terminated in connection with the Mergers. Refer to footnote 3 for additional information.

- (8) The following table presents a summary of merger-related adjustments related to credit facilities and term borrowings (in thousands):

<i>Adjustments related to credit facilities and term borrowings:</i>	NSAM	NRF	Total
Principal pay down of NorthStar corporate borrowings (refer to footnote 3) ⁽ⁱ⁾	\$ (497,500)	\$ (425,000)	\$ (922,500)
Elimination of deferred financing costs	28,822	4,591	33,413
Total	\$ (468,678)	\$ (420,409)	\$ (889,087)

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- (i) Proceeds from NRF Sales Initiatives are expected to be used for the pay down of NorthStar corporate borrowings. However, to the extent NRF Sales Initiatives are not completed by the closing of the Mergers, Colony has obtained bridge financing for up to \$400 million in addition to the \$850 million available under its credit facility that can be used to pay off such NorthStar corporate borrowings, if necessary. Colony NorthStar does not expect to draw on the bridge financing and therefore, the pro forma adjustments do not reflect any additional borrowing on such credit facility or the bridge financing.

- (9) The following table presents a summary of merger-related adjustments related to accounts payable and other liabilities (in thousands):

<i>Adjustments related to accounts payable and other liabilities:</i>	Colony	NSAM	NRF	Total
Merger-related transaction and other costs ⁽ⁱ⁾	\$ 29,955	\$ 37,743	\$ 59,155	\$ 126,853
NSAM executive compensation accrual ⁽ⁱⁱ⁾		(22,766)	(2,039)	(24,805)
Interest payable related to NSAM's corporate borrowing ⁽ⁱⁱⁱ⁾		(4,262)		(4,262)
Total	\$ 29,955	\$ 10,715	\$ 57,116	\$ 97,786

(i)

Represents non-recurring transaction and other costs incurred in connection with the Mergers, consisting primarily of advisory, legal, accounting, tax and other professional services and are factually supportable as such amounts are based on reliable, documented evidence such as invoices for costs incurred to date and estimates from third-parties for additional costs expected to be incurred until the closing of the Mergers. Such costs are reflected as a reduction to retained earnings and not included in the unaudited pro forma condensed consolidated statements of operations. Refer to footnote 12.

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- (ii) Represents an adjustment to eliminate compensation payable related to arrangements entered into with the NSAM executive officers in connection with the Mergers. Refer to footnote 12.
- (iii) Represents an adjustment to eliminate interest payable related to NSAM's corporate borrowings. Refer to footnote 3 for additional information.
- (10) The following table presents a summary of the merger-related adjustment to common stock par value as of September 30, 2016 (in thousands, except for exchange ratios and par value per share):

<i>Adjustments to common stock at par:</i>	Colony	NSAM	NRF	Pro Forma Colony NorthStar
Outstanding shares of common stock as of September 30, 2016 ⁽ⁱ⁾	113,928	188,983	180,730	
Equity awards to vest upon the Mergers and converted into Colony NorthStar common stock, net of shares withheld for tax ⁽ⁱⁱ⁾		504	665	
NRF LTIP units converted to common stock ⁽ⁱⁱⁱ⁾			1,856	
Outstanding shares of common stock prior to the Mergers	113,928	189,487	183,251	
Exchange ratio	1.4663	1.0000	1.0996	
Shares of Colony NorthStar common stock pro forma basis	167,053	189,487	201,503	
Shares of NRF common stock owned by NSAM ^(iv)	NA	NA	(2,969)	
Shares of Colony NorthStar common stock pro forma basis (as adjusted ^y)	167,053	189,487	198,534	555,074
Par value per share	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01
Common stock at par of Colony NorthStar pro forma basis	\$ 1,671	\$ 1,895	\$ 1,985	5,551
Common stock at par as of September 30, 2016	(1,139)	(1,890)	(1,807)	(4,836)
Pro forma adjustment to common stock at par	\$ 532	\$ 5	\$ 178	\$ 715

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- (i) Includes restricted common stock issued as equity-based awards.
- (ii) Represents 9.4 million equity-based shares of NSAM that will convert to Colony NorthStar class A common stock upon completion of the Mergers, net of 4.1 million shares forfeited by NSAM executives and 4.8 million shares estimated to be retired upon vesting for NSAM executive and employee tax withholding. Represents 3.2 million equity-based shares of NRF common stock that will convert to Colony NorthStar class A common stock upon completion of the Mergers, net of 1.1 million shares forfeited by NSAM executives and 1.4 million shares estimated to be retired upon vesting for NSAM executive and employee tax withholding. Refer to the section entitled "The Mergers-Interests of NSAM's Directors and Executive Officers in the Mergers" for further information regarding shares forfeited by NSAM executives. Shares withheld for taxes include amounts related to restricted common stock included in outstanding common stock.
- (iii) In connection with the Mergers, NRF LP will be merged into NRF resulting in the conversion to NRF common stock of existing LTIP units in NRF LP.
- (iv) Represents the 2.7 million shares of NRF common stock owned by NSAM after giving effect to the exchange ratio.
- (v) Includes shares of both class A and class B pro forma Colony NorthStar common stock.

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- (11) The following table presents a summary of the merger-related adjustments to additional paid-in capital as of September 30, 2016 (in thousands):

<i>Adjustments to additional paid-in capital:</i>	Colony	NSAM	NRF	Total
Adjustment to common stock par value (refer to footnote 10)	\$ (532)	\$ (5)	\$ (178)	\$ (715)
Elimination of retained earnings (accumulated deficit)		(38,554)	(2,891,153)	(2,929,707)
Elimination of accumulated other comprehensive income (loss)		(210)	(63,709)	(63,919)
Adjustment to non-controlling interests in operating partnership		5,436 ^(iv)	31,798 ⁽ⁱ⁾	37,234
Elimination of carrying value of NRF common stock owned by NSAM			(35,741) ⁽ⁱⁱ⁾	(35,741)
Acceleration of equity-based awards vested upon the Mergers ⁽ⁱⁱⁱ⁾		69,210		69,210
Elimination of retained earnings from NRF Sale Initiatives			384,044	384,044
 Total merger-related adjustments to additional paid-in capital				 \$ (2,539,594)

-
- (i) In connection with the Mergers, NRF LP will be merged into NRF.
- (ii) Represents the carrying value of 2.7 million shares of NRF common stock owned by NSAM (refer to footnote 4).
- (iii) Represents the acceleration of amortization of equity-based compensation related to substantially all outstanding NSAM equity awards that will vest in accordance with their terms upon the closing of the Mergers. Colony and NRF equity awards that vest in connection with the Mergers are not included as adjustments as such events occur prior to the Mergers.
- (iv) The following table presents a summary of the adjustment to Colony NorthStar's non-controlling interests in the operating partnership as of September 30, 2016 (in thousands, except for exchange ratio):

<i>Pro forma Colony NorthStar non-controlling interest in the operating partnership:</i> ⁽ⁱ⁾	Colony	NSAM	Total Colony NorthStar
OP units owned by non-controlling interests as of September 30, 2016	20,787	1,790	
Exchange ratio	1.4663	1.0000	
Non-controlling interests' ownership of Colony NorthStar OP units pro forma basis	30,480	1,790	32,270
Shares of Colony NorthStar common stock pro forma basis			555,074
Pro forma non-controlling OP unit ownership % in Colony NorthStar			5.5%
Adjustment to non-controlling interests in operating partnership			\$ 5,436

-
- (i) In connection with the Mergers, NRF LP will be merged into NRF.

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(12)

The following table presents a summary of merger-related adjustments to retained earnings (accumulated deficit) as of September 30, 2016 (in thousands):

<i>Adjustments to retained earnings (accumulated deficit):</i>	Colony	NSAM	NRF	Total
Elimination of retained earnings (accumulated deficit) as of September 30, 2016	\$	\$ 38,554	\$ 2,891,153	\$ 2,929,707
NSAM special dividend (refer to footnote 1)		(228,000)		(228,000)
Merger-related transaction costs ⁽ⁱ⁾	(29,955)	(37,743)	(59,155)	(126,853)
NSAM executive compensation accrual ⁽ⁱⁱ⁾		22,766	2,039	24,805
Acceleration of equity-based awards vested upon the Mergers ⁽ⁱⁱⁱ⁾		(69,210)		(69,210)
NorthStar corporate borrowings deferred financing costs ^(iv)		(28,822)	(5,316)	(34,138)
Elimination of retained earnings from NRF Sale Initiatives			(384,044)	(384,044)
Total merger-related adjustments to retained earnings (accumulated deficit)			\$	2,112,267

(i)

Represents non-recurring transaction costs directly attributable to the Mergers, of which \$126.9 million is a pro forma adjustment to accounts payable and other liabilities (refer to footnote 9) in the historical financial statements as of September 30, 2016.

(ii)

Represents an adjustment to eliminate compensation payable related to arrangements entered into with the NSAM executive officers in connection with the Mergers.

(iii)

Represents the acceleration of amortization of equity-based compensation related to substantially all outstanding NSAM equity awards that will vest in accordance with their terms upon the closing of the Mergers. NRF equity awards that vest in connection with the Mergers are not included as an adjustment as such event occurs prior to the Mergers.

(iv)

Represents an adjustment to eliminate deferred financing costs of \$0.7 million related to NRF's corporate revolving credit facility and \$33.4 million related to NSAM and NRF's respective term borrowings. The NorthStar corporate borrowings are expected to be paid off and terminated in connection with the Mergers.

C. Fair Value Adjustments

The fair value adjustments reflected in the unaudited pro forma condensed consolidated balance sheet represent the differences between fair value amounts based on a preliminary purchase

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price allocation of the assets acquired and liabilities assumed of NSAM and NRF and the corresponding historical balances of NSAM and NRF, as adjusted (in thousands):

	NSAM		NRF		Fair Value Adjustment
	Fair Value ⁽¹⁾	Adjusted Historical	Fair Value ⁽¹⁾⁽²⁾	Adjusted Historical ⁽³⁾	
Assets					
Cash and cash equivalents	\$ 125,037	\$ 125,037 ⁽¹⁵⁾	\$ 2,043,280	\$ 2,043,280	\$
Restricted cash	26,599	26,599	175,082	175,082	
Operating real estate, net			9,082,788	7,371,996	1,710,792 ⁽⁴⁾
Real estate debt investments, net			349,083	348,539	544
Investments in private equity funds			484,876	484,876	⁽⁵⁾
Investments in unconsolidated ventures	57,664	57,664 ⁽¹⁵⁾	177,994	161,744	16,250 ⁽⁵⁾
Real estate securities, available for sale			526,966	526,966	⁽⁵⁾
Securities, at fair value	2,697	2,697 ⁽¹⁶⁾			
Due from affiliates	109,753	109,753	1,888	1,888	
Goodwill	329,628	243,328	53,273	44,767	94,806 ⁽⁶⁾
Intangible assets, net	2,511,020	203,728	645,249	298,950	2,653,591 ⁽⁴⁾
Assets of properties held for sale			109,096	120,871	(11,775) ⁽³⁾
Other assets	120,895	41,784	290,438	357,516	12,033 ⁽⁷⁾⁽¹⁰⁾
Total assets	\$ 3,283,293	\$ 810,590	\$ 13,940,013	\$ 11,936,475	\$ 4,476,241
Liabilities					
Mortgage and other notes payable	\$	\$	\$ 6,166,576	\$ 6,229,796	\$ (63,220) ⁽⁸⁾
Credit facilities and term borrowings	497,500	468,679	420,409	420,409	28,821 ⁽⁹⁾
Convertible senior notes			29,441	27,356	2,085 ⁽⁸⁾
Securitization bonds payable			257,877	257,877	⁽⁵⁾
Junior subordinated notes			191,175	191,175	⁽⁵⁾
Accounts payable and other liabilities	268,235	91,155	212,463	212,463	177,080 ⁽¹⁰⁾
Due to related parties			46,939	46,939	
Intangible liabilities, net			1,944,091	113,967	1,830,124 ⁽⁴⁾
Liabilities of properties held for sale			53,429	94,480	(41,051) ⁽³⁾⁽¹¹⁾
Derivative liabilities, at fair value			302,316	302,316	
Total liabilities	765,735	559,834	9,624,716	7,896,778	1,933,839
Commitments and contingencies					
Redeemable non-controlling interests	75,149	75,149			
Equity					
Performance common stock	52	52			
Preferred stock			969,458	939,118	30,340 ⁽¹²⁾
Common stock	1,890	1,890	1,807	1,807	
Additional paid-in capital	2,477,233	210,431 ⁽¹⁵⁾⁽¹⁶⁾	2,243,317	2,224,947	2,285,172 ⁽¹³⁾
Accumulated other comprehensive income (loss)	(210)	(210)	(63,709)	(63,709)	
Retained earnings (accumulated deficit)	(38,554)	(38,554)	384,044	384,044	
Total stockholders' equity	2,440,411	173,609	3,534,917	3,486,207	2,315,512
Non-controlling interests investments			748,582	521,692	226,890 ⁽¹⁴⁾
Non-controlling interests operating partnership	1,998	1,998	31,798	31,798	⁽¹⁴⁾
Total equity	2,442,409	175,607	4,315,297	4,039,697	2,542,402
Total liabilities, redeemable non-controlling interests and equity	\$ 3,283,293	\$ 810,590	\$ 13,940,013	\$ 11,936,475	\$ 4,476,241

(1)

Fair value reflected in the unaudited pro forma condensed consolidated balance sheet was estimated as follows:

(i)

Real estate and related intangibles based on a discounted cash flow analysis or direct capitalization analysis, and for real estate held for sale, contracted sale price or a sales comparison approach, adjusted for estimated selling costs. The fair value is allocated to tangible assets such as land, building, tenant and land improvements and identified intangibles, such as above- and below-market leases, above- and below-market ground lease obligations, in-place lease value and goodwill.

(ii)

Real estate debt investments determined by comparing the current yield to the estimated yield for newly originated loans with similar credit risk or the market yield at which a third party might expect to purchase such investment or based on discounted cash flow projections of principal and interest expected to be collected, which include

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consideration of borrower or sponsor credit, as well as operating results of the underlying collateral. For certain real estate debt investments considered to be impaired, their carrying value approximates fair value.

- (iii) *Private equity funds and investments in unconsolidated ventures* based on the timing and amount of expected future cash flow for income and realization events for underlying assets.
- (iv) *Real estate securities* based on quotations from brokers or financial institutions that act as underwriters of the securities, third-party pricing service or discounted cash flow depending on the type of securities.
- (v) *Management agreements and related intangible assets* comprised of NSAM's management contracts, customer relationships and trade name. The fair value of management contracts and customer relationships represent the discounted excess earnings attributable to the future management fee income from in-place management contracts and to the potential fee income from repeat customers through future sponsored funds, respectively. The fair value of trade name is estimated based on a discounted royalty rate.
- (vi) *Mortgage and other notes payable* estimated by discounting expected future cash outlays at interest rates currently available for instruments with similar terms and remaining maturities.
- (vii) *Convertible senior notes* based on quoted market prices or recent transactions.
- (viii) *Securitization bonds payable and junior subordinated notes* based on quotations from brokers or financial institutions that act as underwriters of the securitized bonds or subordinated notes.

(2) Fair value excludes assets and liabilities associated with the NRF Sales Initiatives (refer to footnote 3).

(3) The following table presents the assets and liabilities of NRF as of September 30, 2016, adjusted to reflect the impact of the NRF Sales Initiatives (in thousands):

	Historical	NRF NRF Sales Initiatives ⁽¹⁾	Adjusted Historical
Assets			
Cash and cash equivalents	\$ 725,360	\$ 1,317,920	\$ 2,043,280
Restricted cash	180,068	(4,986)	175,082
Operating real estate, net	7,371,996		7,371,996
Real estate debt investments, net	348,539		348,539
Investments in private equity funds, at fair value	484,876		484,876
Investments in unconsolidated ventures	161,744		161,744
Real estate securities, available for sale	526,966		526,966
Due from affiliates	1,888		1,888
Goodwill	44,767		44,767
Intangible assets, net	298,950		298,950
Assets of properties held for sale	2,653,959	(2,533,088)	120,871
Other assets	565,776	(208,260)	357,516
Total assets	\$ 13,364,889	\$ (1,428,414)	\$ 11,936,475
Liabilities			
Mortgage and other notes payable	\$ 6,922,027	\$ (692,231)	\$ 6,229,796
Credit facilities and term borrowings	420,409		420,409
Convertible senior notes	27,356		27,356
Securitization bonds payable	257,877		257,877
Junior subordinated notes	191,175		191,175

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Accounts payable and other liabilities	205,142	7,321	212,463
Due to related parties	46,939		46,939
Intangible liabilities, net	113,967		113,967
Liabilities of properties held for sale	1,502,659	(1,408,179)	94,480
Derivative liabilities, at fair value	302,316		302,316
Total liabilities	\$ 9,989,867	\$ (2,093,089)	\$ 7,896,778

(i)

Refer to A, *Adjustments to the Unaudited Pro Forma Condensed Consolidated Balance Sheet NRF Sales Initiatives*.

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- (4) The acquired assets and liabilities assumed for real estate generally include, but are not limited to land, buildings and improvements, identified tangible and intangible assets and liabilities associated with in-place leases, above- and below-market leases and goodwill, if any. The following table presents a summary of the major classes of intangible assets acquired and liabilities assumed as part of the Mergers (in thousands):

	NSAM		NRF		Fair Value Adjustment
	Fair Value	Historical	Fair Value	Historical	
Intangible assets					
Management agreements and related intangibles ⁽ⁱ⁾	\$ 2,511,020	\$ 203,728	\$	\$	\$ 2,307,292
In-place lease values			151,921	104,668	47,253
Above-market lease values			400,256	157,003	243,253
Below-market ground lease obligations			34,082		34,082
Other real estate intangible assets			58,990	37,279	21,711
Total	\$ 2,511,020	\$ 203,728	\$ 645,249	\$ 298,950	\$ 2,653,591
Intangible liabilities					
NRF management agreement	\$	\$	\$ 1,800,000	\$	\$ 1,800,000
Below-market lease values			133,222	111,828	21,394
Other real estate intangible liabilities			10,869	2,139	8,730
Total	\$	\$	\$ 1,944,091	\$ 113,967	\$ 1,830,124

- (i) NSAM's management agreements and related intangibles are summarized as follows (in thousands):

	NSAM	
	Fair Value	Historical
NSAM:		
NSAM Retail Companies management agreements ^(a)	\$ 333,100	\$
NorthStar Europe management agreement ^(a)	109,600	
Trade name	59,000	
NRF management agreement ^(a)	1,800,000	
Townsend:		
Customer relationships	185,580	180,862
Performance fees	5,710	5,289
Trade name	17,820	17,424
Proprietary technology	210	153
Total	\$ 2,511,020	\$ 203,728

- (a) The preliminary value was estimated using a discounted cash flow analysis, comparing the existing NSAM management agreements with a range of observable inputs for similar contracts including discount rates ranging between 7.0% and 9.0%. The NRF management agreement represents the off market fair value of such agreement. The NRF management agreement will cease to exist upon completion of the Mergers.
- (b) The estimated useful lives of NSAM's management agreement and related intangibles range from three years to 30 years.

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- (5) NRF has historically elected the fair value option for its investments in private equity funds, certain investments in unconsolidated ventures, real estate securities, securitization bonds payable and junior subordinated notes, where carrying value represents fair value. The adjustment reflects the fair value of certain investments in unconsolidated ventures carried at historical cost.
- (6) Represents elimination of historical goodwill of NSAM and certain NRF properties and an adjustment for goodwill based on the preliminary purchase price allocation (refer to Note 3. *Pro Forma Merger Consideration*).

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- (7) Straight-lining of rent pursuant to the underlying leases associated with the real estate acquired in connection with the Mergers will commence at the effective date of the Mergers; therefore the amount of unbilled rent receivable on the balance sheet as of September 30, 2016 has been eliminated.
- (8) Represents fair value adjustments, including the elimination of deferred financing costs.
- (9) The carrying value of NRF credit facilities and term borrowings approximate fair value. The adjustment represents elimination of NSAM historical deferred financing costs related to its credit facility.
- (10) Represents the estimated deferred tax effect of the pro forma adjustments related to NSAM management agreements and investment in The Townsend Group using an estimated 40% effective income tax rate.
- (11) Represents an adjustment to eliminate a mortgage note payable related to certain properties for which NRF is currently in negotiations with the lender to foreclose. In April 2016, NRF gave three properties back to the lender and is expected to give the remaining property back to the lender in the fourth quarter 2016 upon which the mortgage note will be extinguished.
- (12) Represents an adjustment to reflect the fair value of Colony NorthStar preferred stock to be issued as merger consideration, as discussed in Note 3, *Pro Forma Merger Consideration*.
- (13) Adjustment to additional paid-in capital represents the remaining net asset value of NSAM and NRF after adjustments to retained earnings (accumulated deficit) and non-controlling interests (refer to footnote 14).
- (14) Fair value of non-controlling interests are derived as their proportionate share of the fair value of net assets attributable to them, such fair value is determined on same basis as described above.
- (15) NSAM historical includes an adjustment to eliminate NSAM's interest in Island Hospitality Management Inc. Refer to footnote 2 in Note 4.B, *Merger Adjustments*, for additional information.
- (16) NSAM historical includes an elimination of the carrying value of NSAM's ownership of 2.7 million shares of NRF common stock. Refer to footnote 4 in Note 4.B, *Merger Adjustments* for additional information.

Table of Contents*Note 5. Adjustments to the Unaudited Pro Forma Condensed Consolidated Statements of Operations***D. NRF Sales Initiatives**

The following tables present summarized pro forma adjustments for the nine months ended September 30, 2016 and year ended December 31, 2015 related to NRF Sales Initiatives. Such adjustments eliminate any activity related to assets sold or under contract to sell through November 4, 2016, as disclosed in NRF's Quarterly Report on Form 10-Q for the nine months ended September 30, 2016, however, it excludes the impact of potential reinvestment of proceeds from the NRF Sale Initiatives (in thousands):

	Nine Months Ended September 30, 2016							Total NRF Sales Initiatives
	Manufactured Housing	Multifamily	Healthcare Portfolio ⁽¹⁾	Industrial Portfolio	Private Equity Portfolio	CRE Debt Investments	CRE Securities	
Revenues								
Rental and escalation income	\$ (147,680)	\$ (21,189)	\$ (69,239)	\$ (27,228)	\$	\$	\$	\$ (265,336)
Interest income	(4,341)		(3)	(3)		(8,405)	(772)	(13,524)
Other income	(4,018)	(1,273)	(930)					(6,221)
Total revenues	(156,039)	(22,462)	(70,172)	(27,231)		(8,405)	(772)	(285,081)
Expenses								
Interest expense	(42,781)	(5,481)	(22,729)	(4,897)		(393)		(76,281)
Property operating expenses	(58,034)	(9,660)	(23,735)	(3,849)				(95,278)
Other expense investment and servicing expenses	(389)	(113)	(95)	(785)		(42)		(1,424)
Transaction costs	(186)							(186)
Provision for loan losses	(245)					(2,806)		(3,051)
Depreciation and amortization			(27,889)	(5,217)				(33,106)
Total expenses	(101,635)	(15,254)	(74,448)	(14,748)		(3,241)		(209,326)
Other income (loss)								
Unrealized gain (loss) on investments and other								
Realized gain (loss) on investments and other	3,626	(21,800)	(16,696)	(13,235)	9,889	1,302		(36,914)
Equity in earnings of unconsolidated joint ventures					(10,799)			(10,799)
Income tax benefit (expense)	(542)		(21)		3,707	18		3,162
Income (loss) from continuing operations	(51,320)	(29,008)	(12,441)	(25,718)	2,797	(3,844)	(772)	(120,306)
Non-controlling interests investments		(2,179)	(1,423)					(3,602)
Net income (loss) from continuing operations attributable to common stockholders	\$ (51,320)	\$ (26,829)	\$ (11,018)	\$ (25,718)	\$ 2,797	\$ (3,844)	\$ (772)	\$ (116,704)

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Year Ended December 31, 2015

	Manufactured		Healthcare	Industrial	Private	CRE Debt	CRE	Total NRF
	Housing	Multifamily	Portfolio ⁽¹⁾	Portfolio	Equity	Investments	Securities	Sales
					Portfolios			Initiatives
Revenues								
Rental and escalation income	\$ (174,559)	\$ (32,201)	\$ (135,371)	\$ (39,850)	\$	\$	\$	\$ (381,981)
Interest income	(6,251)		(1)	(1)		(34,023)	(5,175)	(45,451)
Other income	(6,209)	(1,951)	(2,179)					(10,339)
Total revenues	(187,019)	(34,152)	(137,551)	(39,851)		(34,023)	(5,175)	(437,771)
Expenses								
Interest expense	(51,819)	(8,560)	(39,774)	(7,319)		(2,027)		(109,499)
Property operating expenses	(72,808)	(15,509)	(57,033)	(5,604)				(150,954)
Other expense investment and servicing expenses	(2,078)	(87)	(8,553)	(1,116)		(158)		(11,992)
Transaction costs	(1,779)			(54)				(1,833)
Provision for loan losses	(766)					(1,195)		(1,961)
Depreciation and amortization	(68,331)	(6,928)	(62,641)	(10,401)				(148,301)
Total expenses	(197,581)	(31,084)	(168,001)	(24,494)		(3,380)		(424,540)
Other income (loss)								
Realized gain (loss) on investments and other	1,709							1,709
Income (loss) before equity in earnings (losses) of unconsolidated ventures and income tax benefit (expense)								
	12,271	(3,068)	30,450	(15,357)		(30,643)	(5,175)	(11,522)
Equity in earnings of unconsolidated joint ventures								
					(77,851)			(77,851)
Income tax benefit (expense)	435		55		7,911	164		8,565
Income (loss) from continuing operations	12,706	(3,068)	30,505	(15,357)	(69,940)	(30,479)	(5,175)	(80,808)
Non-controlling interests investments		(165)	8,061					7,896
Net income (loss) from continuing operations attributable to common stockholders	\$ 12,706	\$ (2,903)	\$ 22,444	\$ (15,357)	\$ (69,940)	\$ (30,479)	\$ (5,175)	\$ (88,704)

(1)

Includes a portfolio of medical office buildings and a senior housing portfolio.

E. Merger Adjustments

As a result of the Mergers, Colony NorthStar expects estimated annualized synergies of \$115 million, consisting of \$80 million of cash savings and \$35 million of equity-based compensation savings. The merger adjustments to the unaudited pro forma condensed consolidated statements of operations exclude integration activities or full savings that may result from realization of such future cost savings from operating efficiencies, revenue or other incremental synergies expected to result from the Mergers other than the executive compensation adjustments noted in footnotes 1(v) and 1(vii) below. The nine months ended September 30, 2016 and year ended December 31, 2015 pro forma condensed consolidated statements of operations exclude \$48 million and \$34 million, respectively, of expected cash savings as such amounts are not currently supportable through contracts or other agreements in place.

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(1)

The following table presents a summary of pro forma adjustments related to the Mergers (in thousands):

	Nine Months Ended September 30, 2016				Year Ended December 31, 2015			
	Colony	NSAM	NRF	Total	Colony	NSAM	NRF	Total
Pro Forma Adjustments to Revenues								
Fee income	\$	\$ (139,955) ⁽ⁱ⁾	\$	\$ (139,955)	\$	\$ (198,695) ⁽ⁱ⁾	\$	\$ (198,695)
Other income								
Dividend income	\$	\$ (3,256) ⁽ⁱⁱ⁾	\$	\$ (3,256)	\$	\$	\$	\$
Loan origination fee			(843) ^(iv)	(843)			(2,995) ^(iv)	(2,995)
Reimbursement between NSAM and managed companies		24,229 ⁽ⁱⁱⁱ⁾		24,229		39,479 ⁽ⁱⁱⁱ⁾		39,479
Total other income	\$	\$ 20,973	\$ (843)	\$ 20,130	\$	\$ 39,479	\$ (2,995)	\$ 36,484
Pro Forma Adjustments to Expenses								
Management fee	\$	\$	\$ (139,955) ⁽ⁱ⁾	\$ (139,955)	\$	\$	\$ (198,695) ⁽ⁱ⁾	\$ (198,695)
Transaction costs	\$ (11,345) ^(ix)	\$ (24,431) ^(ix)	\$ (10,338) ^(ix)	\$ (46,114)	\$	\$	\$	\$
Compensation costs								
Reimbursement between NSAM and managed companies	\$	\$ 19,383 ⁽ⁱⁱⁱ⁾	\$	\$ 19,383	\$	\$ 31,583 ⁽ⁱⁱⁱ⁾	\$	\$ 31,583
Cash compensation		(11,595) ^(v)	(186) ^(v)	(11,781)		(45,353) ^(v)	(499) ^(v)	(45,852)
Equity-based compensation expense	(815) ^(vi)	(11,746) ^(v)	(4,256) ^(v)	(16,817)	(1,726) ^(vi)	55,127 ^{(v)(vii)}	(20,392) ^(v)	33,009
Total compensation costs^(viii)	\$ (815)	\$ (3,958)	\$ (4,442)	\$ (9,215)	\$ (1,726)	\$ 41,357	\$ (20,891)	\$ 18,740
Other general and administrative expenses								
Loan origination fee	\$	\$ (843) ^(iv)	\$	\$ (843)	\$	\$ (2,995) ^(iv)	\$	\$ (2,995)
Reimbursement between NSAM and managed companies		4,846 ⁽ⁱⁱⁱ⁾		4,846		7,896 ⁽ⁱⁱⁱ⁾		7,896
Total other general and administrative expenses	\$	\$ 4,003	\$	\$ 4,003	\$	\$ 4,901	\$	\$ 4,901

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- (i) Represents elimination of the management fee income (expense) between NSAM and NRF, respectively.
- (ii) Represents elimination of dividend income NSAM received from its ownership of NRF common stock for the nine months ended September 30, 2016. NSAM did not earn any dividend income for the year ended December 31, 2015.
- (iii) Represents reclassification of reimbursable expenses incurred on behalf of NSAM's managed companies (excluding amounts allocated to NRF which do not result in an adjustment).
- (iv) Represents elimination of loan origination fees from NSAM to NRF.
- (v) Includes an adjustment to eliminate cash and equity-based compensation related to arrangements entered into by the NSAM executive officers in connection with the Mergers. The nine months ended September 30, 2016 does not adjust to eliminate the historical cash and equity-based compensation related to Messrs. Hamamoto and Gilbert who will remain at Colony NorthStar, and therefore, their historical cash and equity-based compensation will have a continuing impact on Colony NorthStar. Messrs. Hamamoto and Gilbert are expected to enter into new employment arrangements prior to the Mergers. Their historical cash and equity-based compensation may not be indicative of any future cash and equity-based compensation.
- (vi) Represents an adjustment to recognize equity-based compensation expense on outstanding Colony equity awards at their remeasured fair value.
- (vii) Includes the amortization of \$97.3 million of equity-based compensation related to NSAM executive restricted stock units, which we refer to as RSUs, which will vest one year from issuance. This amount was determined using the November 9, 2016 closing price of NSAM common stock multiplied by the maximum number of RSUs to be issued of 7,977,000; refer to Note G, *Pro Forma Shares Outstanding and Earnings Per Share* (3).
- (viii) The consolidated pro forma compensation expense of \$202.3 million and \$270.5 million for the nine months ended September 30, 2016 and year ended December 31, 2015 includes \$56.8 million and \$126.0 million of equity-based compensation expense, respectively.
- (ix) Represents the elimination of merger-related transaction costs incurred for the nine months ended September 30, 2016.

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(2)

The following table summarizes adjustments to interest expense (in thousands):

<i>Adjustments to interest expense:</i>	Nine Months Ended September 30, 2016				Year Ended December 31, 2015			
	Colony⁽ⁱ⁾	NSAM	NRF	Total	Colony⁽ⁱ⁾	NSAM	NRF	Total
Interest expense on NorthStar corporate borrowings ⁽ⁱⁱ⁾	\$	\$ (16,060)	\$ (16,552)	\$ (32,612)	\$	\$ (437)	\$ (29,519)	\$ (29,956)
Amortization of deferred financing		(4,115)	(2,908)	(7,023)		(341)	(5,738)	(6,079)
Total	\$	\$ (20,175)	\$ (19,460)	\$ (39,635)	\$	\$ (778)	\$ (35,257)	\$ (36,035)

(i)

The pro forma adjustments assume no additional borrowing on Colony's credit facility or bridge financing. Refer to Note 4.B, *Adjustments to the Unaudited Pro Forma Condensed Consolidated Balance Sheet Merger Adjustments* footnote 7 for further information.

(ii)

NorthStar corporate borrowings are expected to be paid off and terminated in connection with the Mergers.

(3)

Represents elimination of historical unrealized losses related to NSAM's ownership of NRF common stock.

(4)

Represents an adjustment to eliminate equity in earnings related to NSAM's interest in Island Hospitality Management Inc. Refer to footnote 2 in Note 4.B, *Merger Adjustments NRF Sales Initiatives*, for additional information.

(5)

Represents the income tax effect of pro forma adjustments related to the Mergers, calculated using an estimated 40% effective income tax rate on assets held in taxable REIT subsidiaries.

(6)

Represents an adjustment related to the non-controlling interest partner in the healthcare joint venture.

(7)

The following table summarizes adjustments to non-controlling interests in the operating partnership (in thousands):

<i>Adjustments to non-controlling interests-operating partnership:</i>	Nine Months Ended		Year Ended	
	September 30, 2016		December 31, 2015	
Allocation to non-controlling interests Colony NorthStar operating partnership ⁽ⁱ⁾	\$	(34,623)	\$	(28,292)
Elimination of NRF operating partnership ⁽ⁱⁱ⁾		3,537		3,206
Total	\$	(31,086)	\$	(25,086)

(i)

Represents an adjustment to allocate the pro forma ownership interest of Colony NorthStar of 5.5%. Refer to Note 4.B, *Adjustments to the Unaudited Pro Forma Condensed Consolidated Balance Sheet Merger Adjustments*, footnote 10 for additional information.

(ii)

Represents elimination of the non-controlling interests in NRF LP. In connection with the Mergers, NRF LP will merge with NRF, converting non-controlling LTIP unit interests into common stock.

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(8)

The following table presents a summary of adjustments related to NRF to amortization of above and below-market leases based on remaining lease terms ranging from one to 29 years (in thousands):

	Nine Months Ended September 30, 2016	Year Ended December 31, 2015
<i>Adjustments to amortization of above/below market leases:</i>		
Remove historical	\$ 5,016	\$ 11,289
Amortization using preliminary fair value	(21,387)	35,341
Total	\$ (16,371)	\$ 46,630

(9)

The following table presents a summary of adjustments to interest expense related to the fair value of convertible senior notes, securitization bonds payable and mortgage and other notes payable related to NRF amortized over the respective remaining term of each borrowing (in thousands):

	Nine Months Ended September 30, 2016	Year Ended December 31, 2015
<i>Adjustments to interest expense:</i>		
Convertible senior notes	\$ (5)	\$ (7)
Mortgage and other notes payable	(1,192)	(2,666)
Total	\$ (1,197)	\$ (2,673)

(10)

Represents adjustments to amortization of NRF's below-market ground lease and straight-line ground rent of \$0.5 million and \$0.5 million for the nine months ended September 30, 2016 and year ended December 31, 2015, respectively.

(11)

The following table presents a summary of adjustments to depreciation and amortization based on the historical useful lives for operating real estate and lease and other terms for intangible assets ranging from four to 40 years (in thousands):

	Nine Months Ended September 30, 2016			Year Ended December 31, 2015		
<i>Adjustments to depreciation and amortization:</i>	NSAM	NRF	Total	NSAM	NRF	Total
Remove historical	\$ (7,355)	\$ (227,181)	\$ (234,536)	\$ (308,615)	\$ (308,615)	\$ (308,615)
Depreciation and amortization using preliminary fair value	57,298	271,859	329,157	76,398	389,402	465,800
Total	\$ 49,943	\$ 44,678	\$ 94,621	\$ 76,398	\$ 80,787	\$ 157,185

(12)

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Represents the share of pro forma adjustments to interest and depreciation expenses attributable to non-controlling interests investments based upon their respective ownership in each venture, as a result of the preliminary fair value adjustments to assets and liabilities.

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The following table presents a summary of pro forma shares, OP units and RSUs outstanding at the effective time of the Mergers (in thousands):

	Colony	NSAM	NRF	Total ⁽⁵⁾
Shares of Colony NorthStar common stock pro forma basis ⁽¹⁾	167,053	189,487	198,534	555,074
OP units ⁽²⁾	30,480	1,790		32,270
NSAM executive RSUs ⁽³⁾		7,977		7,977
Restricted stock units ⁽⁴⁾		660	275	935
Total	197,533	199,914	198,809	596,256

-
- (1) Refer to Note 4.B, *Adjustments to the Unaudited Pro Forma Condensed Consolidated Balance Sheet Merger Adjustments*, footnote 9. Includes shares of both class A and class B pro forma Colony NorthStar common stock.
- (2) Refer to Note 4.B, *Adjustments to the Unaudited Pro Forma Condensed Consolidated Balance Sheet Merger Adjustments*, footnote 10.
- (3) The number of RSUs subject to replacement equity awards may vary based on a per share price equal to the greater of \$15.00 or the volume weighted average price of a share of Colony NorthStar common stock over the first five trading days immediately following the closing of the Mergers. The maximum number of RSUs to be issued are 7,977,000 with a maximum value of \$119.6 million. The above represents the maximum number of NSAM executive RSUs that would be issued; refer to Note E. *Merger Adjustments* (1)(vii).
- (4) Represents RSU grants to a non-employee of NSAM and NRF.
- (5) Excludes potential shares that may be issued in connection with retention plans or other equity awards issued prior to the Mergers.

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Earnings (Loss) Per Share

The following table presents pro forma basic and diluted earnings (loss) per share after giving effect to the pro forma adjustments to the unaudited consolidated statements of operations (in thousands, except for per share data):

	Nine Months Ended September 30, 2016	Year Ended December 31, 2015
Pro forma earnings per share:		
Numerator:		
Net income (loss) from continuing operations attributable to common stockholders	\$ (319,282)	\$ (127,397)
Denominator:		
Weighted average number of shares outstanding basic	550,078 ⁽¹⁾	548,328 ⁽²⁾
Weighted average number of shares outstanding diluted	551,916 ⁽¹⁾	549,781 ⁽²⁾
Earnings (loss) per share:		
Net income (loss) from continuing operations attributable to common stockholders per share basic	\$ (0.58)	\$ (0.23)
Net income (loss) from continuing operations attributable to common stockholders per share diluted	\$ (0.58)	\$ (0.23)

(1) The following table presents pro forma basic and diluted weighted average shares outstanding for the nine months ended September 30, 2016 (in thousands, except for exchange ratios):

	Colony	NSAM	NRF	Pro Forma Colony NorthStar
Weighted Average Shares Basic				
Historical weighted average shares basic	112,133	183,251	180,803	
NSAM executive officers equity-based awards vested upon the Mergers and converted into common stock, net ⁽ⁱ⁾		3,593	846	
NRF LTIP units converted to common stock ⁽ⁱⁱ⁾			1,856	
Shares of NRF common stock owned by NSAM			(2,700)	
Adjusted basic weighted average shares of common stock prior to the Mergers	112,133	186,844	180,805	
Exchange ratio	1.4663	1.0000	1.0996	
Weighted average shares of Colony NorthStar common stock basic ⁽ⁱⁱⁱ⁾	164,421	186,844	198,813	550,078

	Colony	NSAM	NRF	Pro Forma Colony NorthStar
Weighted Average Shares Dilutive				
Historical weighted average shares dilutive	112,133	185,083	182,664	
NSAM executive officers equity-based awards vested upon the Mergers and converted into common stock, net ⁽ⁱ⁾		3,593	846	
Shares of NRF common stock owned by NSAM			(2,700)	

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Adjusted dilutive weighted average shares of common stock prior to the Mergers	112,133	188,676	180,810	
Exchange ratio	1.4663	1.0000	1.0996	
Weighted average shares of Colony NorthStar common stock dilutive ⁽ⁱⁱ⁾	164,421	188,676	198,819	551,916

(i)

Represents an adjustment related to NSAM and NRF executive equity-based awards that vest upon the Mergers and converted into class A common stock, net of forfeitures, estimated shares withheld for tax and adjustments due to timing. The adjustment assumes such awards convert to common stock on January 1, 2015, the beginning of the earliest period presented. The adjustment related to NSAM includes 3.0 million executive equity-based shares (10.6 million shares issued net of 4.0 million shares forfeited and 3.7 million shares estimated to be retired upon vesting for tax withholding) and 0.6 million shares due to timing. The adjustment related to NRF includes 0.8 million executive equity-based shares

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(2.9 million issued net of 1.1 million shares forfeited and 1.0 million shares estimated to be retired upon vesting for tax withholding) and an immaterial amount due to timing.

(ii) In connection with the Mergers, NRF LP will be merged into NRF resulting in existing LTIP units to be converted into common stock.

(iii) Excludes the effect of (a) convertible senior notes that were not dilutive as of September 30, 2016; (b) 8.0 million of NSAM executive RSUs; (c) 2.7 million and 0.5 million shares of NSAM and NRF non-executive RSUs and restricted stock, respectively; (d) 0.7 million and 0.3 million shares of NSAM and NRF RSUs to non-employees, respectively; (e) 0.7 million shares of NSAM restricted stock issued to Townsend Holdings LLC; (f) 2.1 million shares of Colony restricted stock; and (g) potential shares that may be issued in connection with retention plans or other equity awards issued prior to the Mergers.

(2) The following tables present pro forma basic and diluted weighted average shares outstanding for the year ended December 31, 2015 (in thousands, except for exchange ratios):

<i>Weighted Average Shares Basic</i>	Colony	NSAM	NRF	Pro Forma Colony NorthStar
Historical weighted average shares basic	110,931	188,706	174,873	
NSAM executive officers equity-based awards vested upon the Mergers and converted into common stock, net ⁽ⁱ⁾		4,332	1,155	
NRF LTIP units converted to common stock ⁽ⁱⁱ⁾			1,856	
Shares of NRF common stock owned by NSAM			(2,700)	
Adjusted basic weighted average shares of common stock prior to the Mergers	110,931	193,038	175,184	
Exchange ratio	1.4663	1.0000	1.0996	
Weighted average shares of Colony NorthStar class A common stock basic ⁽ⁱⁱ⁾	162,658	193,038	192,632	548,328

<i>Weighted Average Shares Dilutive</i>	Colony	NSAM	NRF	Pro Forma Colony NorthStar
Historical weighted average shares dilutive	110,931	193,119	176,345	
NSAM executive officers equity-based awards vested upon the Mergers and converted into common stock, net ⁽ⁱ⁾		1,794	1,155	
Shares of NRF common stock owned by NSAM			(2,700)	
Adjusted dilutive weighted average shares of common stock prior to the Mergers	110,931	194,913	174,800	
Exchange ratio	1.4663	1.0000	1.0996	
Weighted average shares of Colony NorthStar common stock dilutive ⁽ⁱⁱ⁾	162,658	194,913	192,210	549,781

(i) Represents NSAM and NRF executive equity-based awards that vest upon the Mergers and converted into common stock, net of forfeitures, estimated shares withheld for tax and adjustments due to timing. The adjustment assumes such awards convert to common stock on January 1, 2015, the beginning of the earliest period presented. The adjustment related to NSAM includes 3.0 million net shares issued, as described in footnote 1(i), and 1.3 million shares due to timing. Diluted shares for the year ended December 31, 2015 also includes an adjustment to exclude 2.6 million shares that were included in the historical dilutive for such period presented. The adjustment related to NRF includes 0.8 million net shares issued, as described in footnote 1(i), and 0.3 million shares due to timing.

(ii)

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In connection with the Mergers, NRF LP will be merged into NRF resulting in existing LTIP units converted to common stock.

(iii)

Excludes the effect of: (a) convertible senior notes that were not dilutive as of December 31, 2015; (b) 8.0 million of NSAM executive RSUs; (c) an immaterial amount of NRF and 2.3 million shares of NSAM non-executive RSUs and restricted stock; (d) 0.7 million and 0.3 million of NSAM and NRF RSUs to non-employees, respectively; (e) 1.2 million shares of Colony restricted stock; and (f) potential shares that may be issued in connection with retention plans or other equity awards issued prior to the Mergers.

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DESCRIPTION OF COLONY NORTHSTAR CAPITAL STOCK

The following description of the terms of Colony NorthStar stock is only a summary. For a complete description, refer to the MGCL and forms of the Colony NorthStar charter and bylaws, which are attached as Annex B and Annex C to this joint proxy statement/prospectus and are incorporated herein by reference. This summary is qualified in its entirety by the MGCL and the Colony NorthStar charter and bylaws.

General

The Colony NorthStar charter provides that Colony NorthStar may issue up to 1,250,000,000 shares of stock, consisting of 949,000,000 shares of Colony NorthStar class A common stock, 1,000,000 shares of Colony NorthStar class B common stock, 50,000,000 shares of Colony NorthStar performance common stock, and up to 250,000,000 shares of Colony NorthStar preferred stock, of which: (i) 2,900,000 shares are classified Colony NorthStar series A preferred stock; (ii) 14,920,000 shares are classified as Colony NorthStar series B preferred stock; (iii) 5,750,000 shares are classified as Colony NorthStar series C preferred stock; (iv) 8,050,000 shares are classified as Colony NorthStar series D preferred stock; (v) 10,350,000 shares are classified as Colony NorthStar series E preferred stock; (vi) 10,400,000 shares are classified as Colony NorthStar series F preferred stock; (vii) 3,450,000 shares are classified as Colony NorthStar series G preferred stock; and (viii) 11,500,000 shares are classified as Colony NorthStar series H preferred stock. Under Maryland law, stockholders of Colony NorthStar generally are not liable for Colony NorthStar's debts or obligations.

Voting Rights of Common Stock

Subject to the provisions of the Colony NorthStar charter regarding the restrictions on transfer and ownership of shares of Colony NorthStar stock and except as may otherwise be specified in the terms of any class or series of shares of Colony NorthStar common stock or performance common stock, each outstanding share of Colony NorthStar class A common stock entitles the holder to one vote and each outstanding share of Colony NorthStar class B common stock entitles the holder to 36.5 votes on all matters submitted to a vote of stockholders, including the election of directors, and, except as provided with respect to any other class or series of shares of stock, the holders of such shares of Colony NorthStar class A common stock and class B common stock will possess the exclusive voting power and will vote as a single class. There will be no cumulative voting in the election of directors. A nominee for director shall be elected as a director only if such nominee receives the affirmative vote of a majority of the total votes cast for and against such nominee, unless there is a contested election, in which case directors shall be elected by a plurality of votes cast at a meeting. Holders of shares of Colony NorthStar performance common stock are not entitled to vote, except that the consent of the holders of a majority of the shares of Colony NorthStar performance common stock, voting as a separate class, is required for any amendment to the Colony NorthStar charter that would increase or decrease the aggregate number of shares of Colony NorthStar performance common stock, increase or decrease the par value of the shares of Colony NorthStar performance common stock, or alter or change the powers, preferences or special rights of the Colony NorthStar performance common stock.

Under the MGCL, a Maryland corporation generally cannot dissolve, amend its charter, merge, convert into another form of entity, sell all or substantially all of its assets, engage in a share exchange or engage in similar transactions outside the ordinary course of business unless approved by the affirmative vote of stockholders holding at least two-thirds of the votes entitled to be cast on the matter unless a lesser percentage (but not less than a majority of all the votes entitled to be cast on the matter) is set forth in the corporation's charter. The Colony NorthStar charter provides that these actions (other than amendments to the provisions of the Colony NorthStar charter related to the

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restrictions on ownership and transfer of shares of Colony NorthStar capital stock and related charter amendments, which each require the affirmative vote of the stockholders entitled to cast not less than two-thirds of all the votes entitled to be cast on the matter) may be taken if declared advisable by a majority of the Colony NorthStar board and approved by the vote of stockholders entitled to cast at least a majority of all the votes entitled to be cast on the matter. However, Maryland law permits a corporation to transfer all or substantially all of its assets without the approval of the stockholders of the corporation to one or more persons if all of the equity interests of the person or persons are owned, directly or indirectly, by the corporation.

Dividends, Liquidation and Other Rights of Common Stock

Subject to the preferential rights of any other class or series of stock of Colony NorthStar, including Colony NorthStar preferred stock, described below, and subject to the provisions of the Colony NorthStar charter regarding the restrictions on ownership and transfer of shares of Colony NorthStar stock, holders of shares of Colony NorthStar common stock and performance common stock are entitled to receive dividends on such shares of Colony NorthStar stock if, as and when authorized by the Colony NorthStar board, and declared by Colony NorthStar out of assets or funds legally available therefor. Such holders are also entitled to share ratably in the assets of Colony NorthStar legally available for distribution to the stockholders of Colony NorthStar in the event of its liquidation, dissolution or winding up or any distribution of its assets after payment or establishment of reserves or other adequate provision for all debts and liabilities of Colony NorthStar and any class or series of stock with preferential rights related thereto, including Colony NorthStar preferred stock. Under Maryland law, stockholders generally are not liable for the corporation's debts or obligations. If and when the Colony NorthStar board authorizes or declares a dividend or other distribution with respect to Colony NorthStar class A common stock, such authorization or declaration will constitute a simultaneous authorization or declaration of an equivalent dividend or other distribution with respect to each share of Colony NorthStar class B common stock and each share of Colony NorthStar performance common stock; provided, however, that dividends on shares of Colony NorthStar performance common stock may not exceed any dividends declared on shares of Colony NorthStar class A common stock at the time such dividend is made.

Holders of shares of Colony NorthStar common stock and performance common stock have no preference, conversion (other than as described below with respect to Colony NorthStar class B common stock and performance common stock), exchange, sinking fund or redemption rights, have no preemptive rights to subscribe for any securities of Colony NorthStar and generally have no appraisal rights. Subject to the provisions of the Colony NorthStar charter regarding the restrictions on ownership and transfer of shares of Colony NorthStar capital stock, shares of Colony NorthStar common stock and performance common stock will have equal dividend, liquidation and other rights.

In the event of any liquidation, dissolution or winding up of Colony NorthStar or any distribution of the assets of Colony NorthStar, each holder of Colony NorthStar common stock will be entitled to participate, together with any other class of stock not having a preference over Colony NorthStar common stock, in the distribution of any remaining assets after payment of Colony NorthStar's debts and liabilities and distributions to holders of shares having a preference over Colony NorthStar common stock.

Power to Reclassify Unissued Shares of Colony NorthStar Capital Stock

The Colony NorthStar charter authorizes the Colony NorthStar board to classify and reclassify any unissued shares of Colony NorthStar common stock or Colony NorthStar preferred stock into other classes or series of shares of Colony NorthStar common stock or Colony NorthStar preferred stock and to establish the number of shares in each class or series and to set the preferences, conversion and

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other rights, voting powers, restrictions, limitations as to dividends or other distributions, qualifications or terms or conditions of redemption for each such class or series. As a result, subject to any preferences on the Colony NorthStar preferred stock, following the closing of the Mergers, the Colony NorthStar board could authorize the issuance of a new series or class of shares of preferred stock that have priority over the Colony NorthStar common stock with respect to dividends, distributions and rights upon liquidation and with other terms and conditions that could have the effect of delaying, deterring or preventing a transaction or a change in control that might involve a premium price for holders of shares of Colony NorthStar common stock or otherwise might be in their best interest.

Power to Issue Additional Shares of Colony NorthStar Capital Stock

Colony NorthStar believes that the power of the Colony NorthStar board to issue additional authorized but unissued shares of Colony NorthStar capital stock and to classify or reclassify unissued shares of Colony NorthStar capital stock and thereafter to cause to issue such classified or reclassified shares of Colony NorthStar capital stock will provide Colony NorthStar with increased flexibility in structuring possible future financings and acquisitions and in meeting other needs that might arise. The additional classes or series will be available for issuance without further action by the stockholders of Colony NorthStar, unless such action is required by applicable law or the rules of any stock exchange or automated quotation system on which Colony NorthStar's securities may be listed or traded. Although the Colony NorthStar board does not intend to do so, it could authorize Colony NorthStar to issue a class or series that could, depending upon the terms of the particular class or series, delay, defer or prevent a transaction or a change in control of Colony NorthStar that might involve a premium price for holders of shares of Colony NorthStar capital stock or otherwise be in the best interest of the stockholders of Colony NorthStar.

Dissenters' Rights

The dissenters' rights of Colony NorthStar stockholders are governed in accordance with the MGCL. The MGCL provides that a dissenting or objecting stockholder has the right to demand and receive payment of the fair value of the stockholder's stock from a successor corporation if: (i) the corporation consolidates or merges with another corporation; (ii) the corporation's stock is to be acquired in a share exchange; (iii) the corporation transfers all or substantially all of its assets in a transaction requiring approval of the corporation's stockholders; (iv) the corporation amends its charter in a way which alters the contract rights, as expressly set forth in the charter, of any outstanding stock and substantially adversely affects the stockholder's rights, unless the right to do so is reserved in the charter of the corporation; (v) the transaction is subject to certain provisions of the Maryland Business Combination Act; or (vi) the corporation is being converted to a different corporate form.

The MGCL provides that, subject to a limited exception, a stockholder may not demand the fair value of the stockholder's stock and is bound by the terms of the transaction if, among other things, the stock is listed on a national securities exchange on the record date for determining stockholders entitled to vote on the matter. Holders of shares of Colony NorthStar common stock and performance common stock shall be entitled to exercise the rights of an objecting stockholder provided for under Title 3, Subtitle 2 of the MGCL or any successor statute. In addition to the statutory rights of objecting stockholders and notwithstanding the limitations on exercising the rights of an objecting stockholder when the stock is listed on a national securities exchange, a holder of shares of Colony NorthStar class A common stock or Colony NorthStar class B common stock shall have the additional right, pursuant to the Colony NorthStar charter, to demand and receive payment of the fair value of such stockholder's shares of Colony NorthStar common stock in any merger, consolidation or statutory

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share exchange if the holder is required by the terms of an agreement or plan of merger, consolidation or statutory share exchange to accept for such shares anything except:

shares of stock of the corporation surviving or resulting from such merger or consolidation, or depository receipts in respect thereof;

shares of stock of any other corporation, or depository receipts in respect thereof, which shares of stock (or depository receipts in respect thereof) or depository receipts at the effective date of the merger or consolidation will be either listed on a national securities exchange or held of record by more than 2,000 holders;

cash in lieu of fractional shares or fractional depository receipts described in subsections (a) and (b) of Section 5.10 of the Colony NorthStar charter; or

any combination of the shares of stock, depository receipts and cash in lieu of fractional shares or fractional depository receipts described in subsections (a), (b) and (c) of Section 5.10 of the Colony NorthStar charter.

Holders of shares of Colony NorthStar class A common stock or Colony NorthStar class B common stock exercising the rights of an objecting stockholder provided in the Colony NorthStar charter must comply with the requirements to properly exercise such rights set forth in Title 3, Subtitle 2 of the MGCL to the same extent as if they were exercising the rights of objecting stockholders provided for in Title 3, Subtitle 2 of the MGCL or any successor statute.

Conversion of Colony NorthStar Class B Common Stock

Subject to the provisions of the Colony NorthStar charter regarding the restrictions on transfer and ownership of shares of Colony NorthStar capital stock, each share of Colony NorthStar class B common stock will convert automatically:

into one fully paid and non-assessable share of Colony NorthStar class A common stock, if Mr. Barrack or any of his family members (or trusts for the benefit of his family members) directly or indirectly transfers beneficial ownership of Colony NorthStar class B common stock other than among each other, for each share of Colony NorthStar class B common stock so transferred; and

into one fully paid and non-assessable share of Colony NorthStar class A common stock for every group of between one and 35.5 Colony OP units (as defined below) involved in such transfer or cessation if Mr. Barrack directly or indirectly transfers beneficial ownership of any membership units in Colony OP, which we refer to as Colony OP units, directly or indirectly held by him, other than to a "Qualified Transferee" (as defined below), directly or indirectly transfers beneficial ownership of OP units directly or indirectly held by it other than to Mr. Barrack or to another Qualified Transferee, or a Qualified Transferee that beneficially owns OP units ceases at any time to continue to be a "Qualified Transferee" (including, without limitation, the failure of a Qualified Transferee that is an executive of Colony NorthStar to be employed by Colony NorthStar or as the result of a divorce or annulment).

"Qualified Transferee" means Colony Capital, LLC and Colony Capital Holdings, LLC and any member or interest holder of CCH Management Partners I, LLC, CCH Management Partners II, LLC, Colony Capital, LLC or Colony Capital Holdings, LLC for so long as any such person remains employed by Colony NorthStar or its affiliates, any family member or affiliate of such persons or any

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person controlled by any combination of one or more of such persons or their family members. None of Colony NorthStar, Colony NorthStar's operating partnership, which the Companies currently expect to be Colony OP, or a charitable trustee to whom shares are transferred pursuant to the ownership and transfer restrictions under the Colony NorthStar charter will be a Qualified Transferee. The purpose of this automatic conversion feature is to ensure that the holders of Colony NorthStar class B common stock do not at any time have votes in excess of the number of Colony OP units then held by them (or the other permitted holders described above); to the extent that a share of Colony NorthStar class B common stock or any group of up to 35.5 Colony OP units is transferred or ceases to be held by a permitted holder, a share of Colony NorthStar class B common stock will convert into one share of Colony NorthStar class A common stock, thereafter carrying only one vote.

Each holder of Colony NorthStar class B common stock will have the right, at the holder's option at any time and from time to time, to convert all or a portion of such holder's Colony NorthStar class B common stock into an equal number of fully paid and nonassessable shares of Colony NorthStar class A common stock by delivering the certificates (if any) representing the shares of Colony NorthStar class B common stock to be converted, duly endorsed for transfer, together with a written conversion notice to the transfer agent for Colony NorthStar class B common stock (or if there is no transfer agent, to Colony NorthStar).

Conversion of Colony NorthStar Performance Common Stock

Shares of Colony NorthStar performance common stock will convert automatically to Colony NorthStar class A common stock upon vesting under the terms of the particular award agreement set forth by the Colony NorthStar board or the board of directors of any predecessor (including the NSAM board). Colony NorthStar performance common stock will not be listed or traded on any securities exchange.

Colony NorthStar performance common stock is substantially the same to Colony NorthStar class A common stock, except as described above.

Preferred Stock

Colony NorthStar series A and series B preferred stock, which we refer to, collectively, as the series A/B preferred stock, Colony NorthStar series C, series D and series E preferred stock, which we refer to, collectively, as the series C/D/E preferred stock, and Colony NorthStar series F, series G and series H preferred stock, which we refer to, collectively, as the series F/G/H preferred stock, rank senior to Colony NorthStar common stock, Colony NorthStar performance common stock and any other class or series of stock that ranks junior to the Colony NorthStar preferred stock as to the payment of dividends or amounts upon liquidation, dissolution or winding up of Colony NorthStar, which we refer to, collectively, as the junior shares. While any shares of Colony NorthStar preferred stock are outstanding, Colony NorthStar may not authorize or create any class or series of capital stock that ranks senior to the Colony NorthStar preferred stock with respect to the payment of dividends or amounts upon liquidation, dissolution or winding up without the consent of the holders of two-thirds of the votes entitled to be cast by the holders of Colony NorthStar preferred stock, voting together as a single class with the holders of any other series of preferred stock ranking on parity with the Colony NorthStar preferred stock with respect to the payment of dividends and amounts upon liquidation, dissolution or winding up of Colony NorthStar. We refer to such other series of preferred stock as parity shares and such parity shares having like voting rights as preferred voting shares. However, Colony NorthStar may create additional classes or series of stock, amend the Colony NorthStar charter to increase the authorized number of shares of preferred stock or issue series of parity shares or preferred shares without the consent of any holder of Colony NorthStar preferred stock.

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Dividends

Holders of Colony NorthStar preferred stock will be entitled to receive, when, as and if authorized by the Colony NorthStar board, and declared by them out of assets legally available for payment, cumulative cash dividends at the applicable stated rate. The stated rate for the Colony NorthStar series A preferred stock is 8.75% of the \$25 liquidation preference per share, or \$2.1875 per share, per annum; the stated rate for the Colony NorthStar series B preferred stock is 8.25% of the \$25 liquidation preference per share, or \$2.0625 per share, per annum; the stated rate for the Colony NorthStar series C preferred stock is 8.875% of the \$25 liquidation preference per share, or \$2.21875 per share, per annum; the stated rate for the Colony NorthStar series D preferred stock is 8.500% of the \$25 liquidation preference per share, or \$2.125 per share, per annum; the stated rate for the Colony NorthStar series E preferred stock is 8.75% of the \$25 liquidation preference per share, or \$2.1875 per share, per annum; the stated rate for the Colony NorthStar series F preferred stock is 8.50% of the \$25 liquidation preference per share, or \$2.125 per share, per annum; the stated rate for the Colony NorthStar series G preferred stock is 7.50% of the \$25 liquidation preference per share, or \$1.875 per share, per annum; and the stated rate for the Colony NorthStar series H preferred stock is 7.125% of the \$25 liquidation preference per share, or \$1.78125 per share, per annum.

As used in this description of Colony NorthStar preferred stock: (i) the term "dividend" does not include dividends payable solely in shares of junior shares or in options, warrants or rights to subscribe for or purchase any junior shares; and (ii) "Business Day" has the meaning provided for in the exhibits to the Colony NorthStar charter classifying and designating relevant series of Colony NorthStar preferred stock.

Series A/B Preferred Stock

Dividends on each share of series A/B preferred stock offered hereby will be cumulative from, and including, the last dividend payment date for which the NRF series A and series B preferred stock have been or will be paid a dividend and are payable quarterly in arrears on the 15th of each February, May, August and November, each a dividend payment date, at the applicable annual rate; provided, however, that if any dividend payment date falls on any day other than a Business Day, the dividend due on such dividend payment date will be paid on the first business day immediately following such dividend payment date. Each dividend is payable to holders of record as they appear on Colony NorthStar's stock records at the close of business on the record date, not exceeding 30 days preceding the dividend payment dates thereof as fixed by the Colony NorthStar board. Dividends are cumulative from the most recent dividend payment date to which dividends have been paid, whether or not in any dividend period or periods there must be assets of Colony NorthStar legally available for the payment of such dividends. Accumulations of dividends on the series A/B preferred stock will not bear interest. Dividends payable on the series A/B preferred stock for any period greater or less than a full dividend period will be computed on the basis of a 360-day year consisting of twelve 30-day months. Dividends payable on the series A/B preferred stock for each full dividend period will be computed by dividing the annual dividend rate by four.

No dividend will be declared or paid on any shares of Colony NorthStar preferred stock or parity shares unless full cumulative dividends have been declared and paid or are contemporaneously declared and funds sufficient for payment set aside on the series A/B preferred stock for all prior dividend periods; provided, however, that if accrued dividends on the series A/B preferred stock for all prior dividend periods have not been paid in full or a sum sufficient for such payment is not set apart, then any dividend declared on the series A/B preferred stock for any dividend period and on the series C/D/E preferred stock, series F/G/H preferred stock and any parity shares will be declared ratably in proportion to accrued and unpaid dividends on the series A/B preferred stock and such series C/D/E preferred stock, series F/G/H preferred stock and any parity shares.

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Colony NorthStar will not: (i) declare, pay or set apart funds for the payment of any dividend or other distribution with respect to any junior shares (other than in shares of junior shares); or (ii) redeem, purchase or otherwise acquire for consideration any junior shares through a sinking fund or otherwise (other than a redemption or purchase or other acquisition of junior shares made for purposes of an employee incentive or benefit plan of Colony NorthStar or any subsidiary, or a conversion into or exchange for junior shares or redemptions for the purpose of preserving Colony NorthStar's qualification as a REIT), unless all cumulative dividends with respect to Colony NorthStar preferred stock and any parity shares at the time such dividends are payable have been paid or funds have been set apart for payment of such dividends for all past dividend periods.

For purposes of the series A/B preferred stock, a "series A/B change of control" is deemed to have occurred at such time as: (i) the date a "person" or "group" (within the meaning of Sections 13(d) and 14(d) of the Exchange Act) becomes the ultimate "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act, except that a person or group is deemed to have beneficial ownership of all shares of voting stock that such person or group has the right to acquire regardless of when such right is first exercisable), directly or indirectly, of voting stock representing more than 50% of the total voting power of the total voting stock of Colony NorthStar; (ii) the date Colony NorthStar sells, transfers or otherwise disposes of all or substantially all of its assets; or (iii) the date of consummation of a merger or share exchange with another entity where Colony NorthStar stockholders immediately prior to the merger or share exchange would not beneficially own, immediately after the merger or share exchange, shares representing 50% or more of all votes (without consideration of the rights of any class of stock to elect directors by a separate group vote) to which all stockholders of the corporation issuing cash or securities in the merger or share exchange would be entitled to vote in the election of directors, or where members of the Colony NorthStar board immediately prior to the merger or share exchange would not immediately after the merger or share exchange constitute a majority of the board of directors of the corporation issuing cash or securities in the merger or share exchange. In this description of Colony NorthStar preferred stock we refer to stock of any class or kind having the power to vote generally in the election of directors as voting stock.

If following a series A/B change of control, the Colony NorthStar series A or series B preferred stock, as the case may be, is not listed on the NYSE or the NYSE MKT or quoted on NASDAQ, holders of the Colony NorthStar series A or series B preferred stock, as the case may be, will be entitled to receive, when and as authorized by the Colony NorthStar board and declared by Colony NorthStar, out of assets legally available for the payment of dividends, cumulative cash dividends at an increased rate from, but excluding, the first date on which both the series A/B change of control has occurred and the applicable series of Colony NorthStar preferred stock is not so listed or quoted. The increased rate will apply for as long as the Colony NorthStar series A or series B preferred stock, as the case may be, is not so listed or quoted. The increased rate for the Colony NorthStar series A preferred stock is 9.75% of the \$25 liquidation preference per share, or \$2.4375 per share, per annum, and the increased rate for the Colony NorthStar series B preferred stock is 9.25% of the \$25 liquidation preference per share, or \$2.3125 per share, per annum.

Series C/D/E Preferred Stock

Dividends on each share of series C/D/E preferred stock offered hereby will be cumulative from, and including, the last dividend payment date for which the NRF series C, series D and series E preferred stock have been or will be paid a dividend. Dividends on the series C/D/E preferred stock are payable quarterly in arrears on the 15th of each February, May, August and November, each a dividend payment date, at the applicable annual rate; provided, however, that if any dividend payment date falls on any day other than a Business Day, the dividend due on such dividend payment date will be paid on the first Business Day immediately following such dividend payment date without any adjustment to the amount of the dividend due on that dividend payment date on account of such delay. Each dividend is

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payable to holders of record as they appear on Colony NorthStar's stock records at the close of business on the record date, not exceeding 30 days preceding the applicable dividend payment date, as fixed by the Colony NorthStar board. Dividends are cumulative from, and including, the most recent dividend payment date to which dividends have been paid, whether or not in any dividend period or periods there must be assets of Colony NorthStar legally available for the payment of such dividends. Accumulations of dividends on the series C/D/E preferred stock will not bear interest. Dividends payable on the series C/D/E preferred stock for any period greater or less than a full dividend period will be computed on the basis of a 360-day year consisting of twelve 30 day months. Dividends payable on the series C/D/E preferred stock for each full dividend period will be computed by dividing the annual dividend rate by four.

No dividend will be declared or paid on any shares of Colony NorthStar preferred stock or parity shares unless full cumulative dividends have been declared and paid or are contemporaneously declared and funds sufficient for payment set apart on the series C/D/E preferred stock for all prior dividend periods; provided, however, that if accrued dividends on the series C/D/E preferred stock for all prior dividend periods have not been paid in full or a sum sufficient for such payment is not set apart, then any dividend declared on the series C/D/E preferred stock for any dividend period and on the series A/B preferred stock, the series F/G/H preferred stock and any parity shares will be declared ratably in proportion to accrued and unpaid dividends on the series C/D/E preferred stock and such series A/B preferred stock, the series F/G/H preferred stock and any parity shares.

Colony NorthStar will not: (i) declare, pay or set apart funds for the payment of any dividend or other distribution with respect to any junior shares (other than in shares of, or options, warrants or rights to subscribe for or purchase shares of, junior shares); or (ii) redeem, purchase or otherwise acquire for consideration any junior shares (other than (A) a redemption, purchase or other acquisition of Colony NorthStar common stock made for purposes of and in compliance with requirements of an employee incentive or benefit plan of Colony NorthStar or any subsidiary; (B) pursuant to ownership and transfer provisions of the Colony NorthStar charter related to preserving the REIT qualification of Colony NorthStar; (C) as a result of a reclassification of such junior shares for or into other junior shares; or (D) the purchase of fractional interests in junior shares pursuant to the conversion or exchange provisions of any securities convertible into or exchangeable for such junior shares), for any consideration (or any monies to be paid to or made available for a sinking fund for the redemption of any such shares) by Colony NorthStar, directly or indirectly (except by conversion into or exchange for junior shares), unless in each case the full cumulative dividends on all outstanding of Colony NorthStar preferred stock and any parity shares will have been paid or set apart for payment for all past dividend periods.

Holders of series C/D/E preferred stock will not be entitled to receive any increased rate of dividend upon a change of control of Colony NorthStar.

Series F/G/H Preferred Stock

Dividends on each share of series F/G/H preferred stock will be cumulative from, and including, the last dividend payment date for which the Colony series A, series B and series C preferred stock have been or will be paid a dividend and are payable quarterly in arrears on the 15th day of each January, April, July and October, each a dividend payment date, at the applicable annual rate; provided, however, that if any dividend payment date falls on any day other than a Business Day, the dividend due on such dividend payment date will be paid on the first Business Day immediately following such dividend payment date. Each dividend is payable to holders of record as they appear on Colony NorthStar's stock records at the close of business on the record date, not exceeding 30 days preceding the payment dates thereof as fixed by the Colony NorthStar board. Dividends are cumulative from the most recent dividend payment date to which dividends have been

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paid, whether or not in any dividend period or periods there must be funds legally available for the payment of such dividends. Accumulations of dividends on series F/G/H preferred stock will not bear interest and holders of series F/G/H preferred stock will not be entitled to any dividends in excess of full cumulative dividends. Dividends payable on series F/G/H preferred stock for any period greater or less than a full dividend period will be computed on the basis of a 360-day year consisting of twelve 30-day months. Dividends payable on series F/G/H preferred stock for each full dividend period will be computed by dividing the annual dividend rate by four.

No dividend will be declared or paid on any on any shares of Colony NorthStar preferred stock or parity shares unless full cumulative dividends have been declared and paid or are contemporaneously declared and funds sufficient for payment set apart on the series F/G/H preferred stock for all prior dividend periods; provided, however, that if accrued dividends on series F/G/H preferred stock for all prior dividend periods have not been paid in full or a sum sufficient for such payment is not set apart, then any dividend declared on series F/G/H preferred stock for any dividend period and on the series A/B preferred stock, the series C/D/E preferred stock and any parity shares will be declared ratably in proportion to accrued and unpaid dividends on the series F/G/H preferred stock and such series A/B preferred stock, the series F/G/H preferred stock and any parity shares. All of Colony NorthStar's dividends on series F/G/H preferred stock, including any capital gain dividends, will be credited first to the earliest accrued and unpaid dividend.

Colony NorthStar will not: (i) declare, pay or set apart funds for the payment of any dividend or other distribution with respect to any junior shares (other than in shares of junior shares); or (ii) redeem, purchase or otherwise acquire for consideration any junior shares through a sinking fund or otherwise (other than a redemption or purchase or other acquisition of junior shares made for purposes of an employee incentive or benefit plan of Colony NorthStar or any subsidiary, or a conversion into or exchange for junior shares or redemptions for the purpose of preserving Colony NorthStar's qualification as a REIT), unless all cumulative dividends with respect to Colony NorthStar preferred stock and any parity shares at the time such dividends are payable have been paid or funds have been set apart for payment for all past dividend periods.

Special Optional Redemption

Series A/B Preferred Stock

If at any time following a "series A/B change of control" (as defined above in the section entitled " Preferred Stock Dividends Series A/B Preferred Stock"), the Colony NorthStar series A or series B preferred stock, as the case may be, is not listed on the NYSE or the NYSE MKT or quoted on NASDAQ, Colony NorthStar will have the option to redeem the Colony NorthStar series A or series B preferred stock, as applicable, in whole but not in part, within 90 days after the first date on which both the series A/B change of control has occurred and the Colony NorthStar series A or series B preferred stock, as the case may be, is not so listed or quoted, for cash at \$25.00 per share plus accrued and unpaid dividends (whether or not declared).

Series C/D/E Preferred Stock

Upon the occurrence of a series C/D/E change of control (as defined below), Colony NorthStar may, at its option, redeem the Colony NorthStar series C, series D or series E preferred stock, as the case may be, in whole, at any time, or in part, from time to time, within 120 days after the first date on which such series C/D/E change of control occurred, for cash at a redemption price of \$25.00 per share, plus any accrued and unpaid dividends thereon (whether or not declared) to, but not including, the redemption date (unless the redemption date is after a dividend payment record date

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and prior to the corresponding dividend payment date, in which case no additional amount for such accrued and unpaid dividends will be included in the redemption price).

If, prior to the series C/D/E change of control conversion date (as defined below), Colony NorthStar has provided notice of its election to redeem some or all of the shares of Colony NorthStar series C, series D or series E preferred stock, as the case may be (whether pursuant to the optional redemption right described below or this special optional redemption right), the holders of Colony NorthStar series C, series D or series E preferred stock, as the case may be, will not have the conversion right described below with respect to the shares of Colony NorthStar series C, series D or series E preferred stock, as the case may be, called for redemption.

A "series C/D/E change of control" is deemed to occur when, after the issuance of the Colony NorthStar series C, series D or series E preferred stock, as the case may be, the following have occurred:

either: (i) a "person," including any syndicate or group deemed to be a person within the meaning of Sections 13(d)(3) and 14(d)(2) of the Exchange Act, becomes the ultimate "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act, except that a person or group will be deemed to have beneficial ownership of all shares of voting stock that such person or group has the right to acquire regardless of when such right is first exercisable), directly or indirectly, of voting stock representing more than 50% of the total voting power of Colony NorthStar's total voting stock; or (ii) the consummation of a merger or share exchange of Colony NorthStar with another entity where Colony NorthStar stockholders immediately prior to the merger or share exchange would not beneficially own, immediately after the merger or share exchange, shares representing 50% or more of all votes (without consideration of the rights of any class of stock to elect directors by a separate group vote) to which all stockholders of the corporation issuing cash or securities in the merger or share exchange would be entitled in the election of directors, or where members of the Colony NorthStar board immediately prior to the merger or share exchange would not immediately after the merger or share exchange constitute a majority of the board of directors of the corporation issuing cash or securities in the merger or share exchange; and

following the closing of any transaction referred to in bullet point above, neither Colony NorthStar nor the acquiring or surviving entity has a class of common equity securities (or American Depositary Receipts representing such securities) listed on the NYSE, the NYSE MKT or the NASDAQ Stock Market, or listed or quoted on an exchange or quotation system that is a successor to any such securities exchange.

Series F/G/H Preferred Stock

Upon the occurrence of a series F/G/H change of control (as defined below), Colony NorthStar will have the option to redeem the Colony NorthStar series F, series G or series H preferred stock, as the case may be, in whole, at any time, or in part, from time to time, within 120 days after the date on which such series F/G/H change of control has occurred for cash at a redemption price of \$25.00 per share, plus any accrued and unpaid dividends (whether or not declared) to, but not including, the redemption date. If Colony NorthStar exercises its special optional redemption right in connection with a series F/G/H change of control, holders of series F/G/H preferred stock, as the case may be, will not have the series F/G/H change of control conversion right described below with respect to the shares of Colony NorthStar series F, series G or series H preferred stock, as the case may be, called for redemption.

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A "series F/G/H change of control" will be deemed to have occurred at such time after the original issuance of the Colony NorthStar series F, series G or series H preferred stock, as the case may be, when the following has occurred:

the acquisition by any person, including any syndicate or group deemed to be a "person" under Section 13(d)(3) of the Exchange Act, of beneficial ownership, directly or indirectly, through a purchase, merger or other acquisition transaction or series of purchases, Mergers or other acquisition transactions of shares of Colony NorthStar entitling that person to exercise more than 50% of the total voting power of all shares of Colony NorthStar entitled to vote generally in elections of directors (except that such person will be deemed to have beneficial ownership of all securities that such person has the right to acquire, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition); and

following the closing of any transaction referred to in the bullet point above, neither Colony NorthStar nor the acquiring or surviving entity has a class of common securities (or American Depositary Receipts representing such securities representing such securities) listed on the NYSE, the NYSE Amex Equities, or NYSE Amex, or NASDAQ, or listed on an exchange that is a successor to the NYSE, NYSE Amex or NASDAQ.

Optional Redemption

Colony NorthStar may not redeem the Colony NorthStar preferred stock prior to five years from the date of the original issuance of the applicable series of Colony preferred stock or NRF preferred stock, which, for the Colony NorthStar series A preferred stock, such five year period ended on September 14, 2011; for the Colony NorthStar series B preferred stock, such five year period ended on February 7, 2012; for the Colony NorthStar series C preferred stock, such five year period will end on October 11, 2017; for the Colony NorthStar series D preferred stock, such five year period will end on April 10, 2018; for the Colony NorthStar series E preferred stock, such five year period will end on May 15, 2019; for the Colony NorthStar series F preferred stock, such five year period will end on March 20, 2017; for the Colony NorthStar series G preferred stock, such five year period will end on June 19, 2019; and for the Colony NorthStar series H preferred stock, such five year period will end on April 13, 2020, except in certain circumstances relating to the ownership limitation necessary to preserve Colony NorthStar's qualification as a REIT or pursuant to the special optional redemption right, as described below. On or after five years from the date of the original issuance of the applicable series of Colony preferred stock or NRF preferred stock described in this paragraph, Colony NorthStar may, at its option, upon not less than 30 days' nor more than 60 days' written notice with respect to the series A/B preferred stock or the series F/G/H preferred stock, or upon not less than 30 days' nor more than 90 days' written notice with respect to the series C/D/E preferred stock, redeem the Colony NorthStar preferred stock, in whole or in part, at any time or from time to time, for cash at a redemption price of \$25.00 per share, plus all accrued and unpaid dividends thereon to the date fixed for redemption, without interest.

Redemption Procedures

A notice of redemption (which may be contingent on the occurrence of a future event) or, with respect to series F/G/H preferred stock only, a notice of special optional redemption, will be mailed, postage prepaid, not less than 30 days nor more than 60 (or, with respect to the series C/D/E preferred stock, more than 90) days prior to the redemption date, addressed to the respective holders of record of the applicable series of Colony NorthStar preferred stock at their respective addresses as they appear on Colony NorthStar's share transfer records. A failure to give such notice or any defect in the notice or in its mailing will not affect the validity of the proceedings for the redemption of any

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shares of Colony NorthStar preferred stock except as to the holder to whom notice was defective or not given (unless, solely in connection with either a series C/D/E change of control such holder elects to tender such holders' shares). Each notice will state:

the redemption date;

the redemption price;

the number of shares of Colony NorthStar preferred stock of the applicable series to be redeemed;

the place or places where the certificates, if any, representing the shares of Colony NorthStar preferred stock are to be surrendered for payment of the redemption price;

that distributions on the shares to be redeemed will cease to accrue on such redemption date;

that, if applicable, with respect to series F/G/H preferred stock only, the shares of Colony NorthStar series F, series G or series H preferred stock, as the case may be, are being redeemed pursuant to the special optional redemption right in connection with the occurrence of a series F/G/H change of control and a brief description of the transaction or transactions constituting such series F/G/H change of control; and

if such redemption is being made in connection with a series C/D/E change of control or a series F/G/H change of control, that holders of the shares of Colony NorthStar series C, series D, series E, series F, series G or series H preferred stock, as the case may be, being so called for redemption will not be able to tender such shares, as the case may be, for conversion in connection with the series C/D/E change of control or series F/G/H change of control (as applicable), and that each share of Colony NorthStar series C, series D, series E, series F, series G or series H preferred stock, as the case may be, tendered for conversion that is called, prior to the series C/D/E change of control conversion date or the series F/G/H change of control conversion date (as applicable), for redemption will be redeemed on the related redemption date instead of converted on the series C/D/E change of control conversion date or the series F/G/H change of control conversion date (as applicable).

Notwithstanding the foregoing, no notice of redemption will be required with respect to any shares of series C/D/E preferred stock where Colony NorthStar elects to redeem series C/D/E preferred stock to preserve its REIT qualification for U.S. federal income tax purposes.

If fewer than all the shares of Colony NorthStar preferred stock of the applicable series held by any holder are to be redeemed, the notice mailed to such holder will also specify the number of shares of Colony NorthStar preferred stock of the applicable series to be redeemed from such holder. If fewer than all of the outstanding shares of Colony NorthStar preferred stock of the applicable series are to be redeemed, the shares to be redeemed must be selected by lot or pro rata or, other than with respect to the Colony NorthStar series E preferred stock, by any other method determined by Colony NorthStar in its sole discretion to be equitable.

On the redemption date, Colony NorthStar must pay on each share of Colony NorthStar preferred stock of the applicable series to be redeemed any accrued and unpaid dividends, in arrears, for any dividend period ending on or prior (and in the case of series A/B preferred stock, up to) the redemption date. In the case of a redemption date falling after a dividend payment record date and prior to the related payment date, the holders of shares of Colony NorthStar preferred stock of the

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applicable series at the close of business on such record date will be entitled to receive the dividend payable on such shares on the corresponding dividend payment date, notwithstanding the redemption of such shares prior to such dividend payment date. Except as provided for in this paragraph, no payment or allowance will be made for accrued dividends on any shares of Colony NorthStar preferred stock called for redemption.

If full cumulative dividends on any of the Colony NorthStar preferred stock and any parity shares have not been paid or declared and set apart for payment, the Colony NorthStar preferred stock may not be redeemed in part and Colony NorthStar may not purchase, redeem or otherwise acquire the Colony NorthStar preferred stock or any parity shares other than in exchange for junior shares; provided, however, that the foregoing will not prevent the purchase by Colony NorthStar of shares held in excess of the limits in the Colony NorthStar charter in order to ensure that Colony NorthStar continues to meet the requirements for qualification as a REIT.

On and after the date fixed for redemption, provided that Colony NorthStar has made available at the office of the registrar and transfer agent a sufficient amount of cash to effect the redemption, dividends will cease to accrue on the shares of Colony NorthStar preferred stock of the applicable series called for redemption (except that, in the case of a redemption date after a dividend payment record date and prior to the related payment date, holders of Colony NorthStar preferred stock of the applicable series on the dividend payment record date will be entitled on such dividend payment date to receive the dividend payable on such shares on the corresponding dividend payment date), such shares will no longer be deemed to be outstanding and all rights of the holders of such shares as holders of Colony NorthStar preferred stock of the applicable series will cease except the right to receive the cash payable upon such redemption, without interest from the date of such redemption.

Liquidation Preference

The holders of Colony NorthStar preferred stock will be entitled to receive in the event of any liquidation, dissolution or winding up of Colony NorthStar, whether voluntary or involuntary, \$25.00 per share of Colony NorthStar preferred stock, which we refer to as the Liquidation Preference, plus an amount per share of Colony NorthStar preferred stock equal to all dividends (whether or not earned or declared) accrued and unpaid thereon to the date of final distribution to such holders. The rights of the holders of Colony NorthStar preferred stock to receive the Liquidation Preference will be subject to the rights of the holders of Colony NorthStar debt, holders of any equity securities senior in liquidation preference to the Colony NorthStar preferred stock and the proportionate rights of holders of parity shares or any other capital stock that ranks on parity with the Colony NorthStar preferred stock.

Until the holders of Colony NorthStar preferred stock have been paid the Liquidation Preference and all accrued and unpaid dividends in full, no payment will be made to any holder of junior shares upon the liquidation, dissolution or winding up of Colony NorthStar. If, upon any liquidation, dissolution or winding up of Colony NorthStar, the assets of Colony NorthStar, or proceeds thereof, distributable among the holders of the Colony NorthStar preferred stock are insufficient to pay in full the Liquidation Preference and all accrued and unpaid dividends and the liquidation preference and all accrued and unpaid dividends with respect to any other shares of parity shares, then such assets, or the proceeds thereof, will be distributed among the holders of Colony NorthStar preferred stock and any such parity shares ratably in accordance with the respective amounts which would be payable on such Colony NorthStar preferred stock and any such parity shares if all amounts payable thereon were paid in full. None of (i) a consolidation or merger of Colony NorthStar with one or more entities; (ii) a statutory share exchange by Colony NorthStar; or (iii) a sale or transfer of all or substantially all of

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Colony NorthStar's assets will be considered a liquidation, dissolution or winding up, voluntary or involuntary, of Colony NorthStar.

Voting Rights

Except as indicated below, the holders of Colony NorthStar preferred stock will have no voting rights.

As used below in this "Voting Rights" section, we refer to the term parity shares to mean: (i) with respect to the series A/B preferred stock, series C/D/E preferred stock and series F/G/H preferred stock any shares that rank on parity with series A/B preferred stock, series C/D/E preferred stock and series F/G/H preferred stock, as applicable, as to the payment of dividends and amounts upon liquidation, dissolution or winding up of Colony NorthStar; and (ii) with respect to any other voting preferred shares, shares designated as on parity with such shares. With respect to voting, the Colony NorthStar series A, series B, series C, series D, series E, series F, series G and series H preferred stock are parity shares of each other.

If and whenever six quarterly dividends (whether or not consecutive) payable on the Colony NorthStar preferred stock or any parity shares are in arrears, whether or not earned or declared, the number of members then constituting the Colony NorthStar board will be increased by two and the holders of voting preferred shares, voting together as a single class, will have the right to elect two additional board members, which we refer to as the preferred directors, at an annual meeting of stockholders or a properly called special meeting of the holders of the Colony NorthStar preferred stock and such voting preferred shares and at each subsequent annual meeting of stockholders until all such dividends have been paid and dividends for the then current quarterly period on the Colony NorthStar preferred stock and such voting preferred shares have been paid or declared and set apart for payment. For the avoidance of doubt, in the election of the two preferred directors, any outstanding shares of series A/B preferred stock, series C/D/E preferred stock, series F/G/H preferred stock and other voting preferred shares will vote together as a class, and the affirmative vote of a plurality of the votes cast by holders of outstanding shares of series A/B preferred stock, series C/D/E preferred stock, series F/G/H preferred stock and other voting preferred shares shall be required to elect each preferred director. Whenever all arrears in dividends on the Colony NorthStar preferred stock and the voting preferred shares then outstanding have been paid and full dividends on the Colony NorthStar preferred stock and the voting preferred shares for the then current quarterly dividend period have been paid in full or declared and set apart for payment in full, then the right of the holders of the Colony NorthStar preferred stock and the voting preferred shares to elect two preferred directors will cease, the terms of office of each preferred director will terminate and the number of members of the Colony NorthStar board will be reduced accordingly. However, the right of the holders of the Colony NorthStar preferred stock and the voting preferred shares to elect the additional board members will again vest if and whenever six quarterly dividends are in arrears, as described above. In no event shall the holders of Colony NorthStar preferred stock be entitled pursuant to these voting rights to elect a director that would cause Colony NorthStar to fail to satisfy a requirement relating to director independence of any national securities exchange on which any class or series of its stock is listed.

The approval of two-thirds of the votes entitled to be cast by the holders of outstanding Colony NorthStar preferred stock and all series of voting preferred shares, acting as a single class regardless of series, either at a meeting of stockholders or by written consent, is required in order: (i) to amend, alter or repeal any provisions of the Colony NorthStar charter, whether by merger, consolidation or otherwise, to affect materially and adversely the voting powers, rights or preferences of the holders of the Colony NorthStar preferred stock or any series of voting preferred shares, unless in connection with any such amendment, alteration or repeal, each share of Colony NorthStar preferred stock remains outstanding without the terms thereof being materially changed in any respect adverse to

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the holders thereof or is converted into or exchanged for equity interests of the surviving entity having preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends, qualifications and terms and conditions of redemption substantially the same as those of the Colony NorthStar preferred stock (provided that if such amendment affects materially and adversely the rights, preferences, privileges or voting powers of one or more but not all of the series of Colony NorthStar preferred stock or voting preferred shares, the consent of the holders of at least two-thirds of the votes entitled to be cast by the holders of all series similarly affected is required in lieu of (or, if such consent is required by law, in addition to) the consent of the holders of two-thirds of the voting preferred shares as a class); or (ii) to authorize, create, or increase the authorized amount of, any class or series of capital stock or any security convertible into shares of any class or series having rights senior to the Colony NorthStar preferred stock with respect to the payment of dividends or amounts upon liquidation, dissolution or winding up of Colony NorthStar.

Information Rights

Series A/B Preferred Stock and Series C/D/E Preferred Stock

During any period in which Colony NorthStar is not subject to Section 13 or 15(d) of the Securities Exchange Act of 1934 and any shares of series A/B preferred stock or series C/D/E preferred stock are outstanding, Colony NorthStar will: (i) transmit by mail to all holders of series A/B preferred stock and series C/D/E preferred stock, as their names and addresses appear in the Colony NorthStar record books and without cost to such holders, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act; and (ii) promptly, upon request, supply copies of such reports to any prospective holder of series A/B preferred stock or series C/D/E preferred stock. Colony NorthStar will mail the information to the holders of series A/B preferred stock and series C/D/E preferred stock within 15 days after the respective dates by which a periodic report on Form 10-K or Form 10-Q, as the case may be, in respect of such information would have been required to be filed with the SEC if Colony NorthStar were subject to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Series F/G/H Preferred Stock

During any period in which Colony NorthStar is not subject to Section 13 or 15(d) of the Exchange Act and any shares of series F/G/H preferred stock are outstanding, Colony NorthStar will: (i) transmit by mail (or other permissible means under the Exchange Act) to all holders of series F/G/H preferred stock, as their names and addresses appear in the Colony NorthStar record books and without cost to such holders, copies of the Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q that Colony NorthStar would have been required to file with the SEC pursuant to Section 13 or 15(d) of the Exchange Act if Colony NorthStar were subject thereto (other than any exhibits that would have been required); and (ii) promptly, upon request, supply copies of such reports to any prospective holder of series F/G/H preferred stock. Colony NorthStar will mail (or otherwise provide) the information to the holders of series F/G/H preferred stock within 15 days after the respective dates by which a periodic report on Form 10-K or Form 10-Q, as the case may be, in respect of such information would have been required to be filed with the SEC, if Colony NorthStar were subject to Section 13 or 15(d) of the Exchange Act, in each case, based on the dates on which Colony NorthStar would be required to file such periodic reports if Colony NorthStar were a "non-accelerated filer" within the meaning of the Exchange Act.

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Conversion Rights of Preferred Stock

Series A/B Preferred Stock

The outstanding shares of series A/B preferred stock are not convertible into or exchangeable for any other property or securities of Colony NorthStar.

Series C/D/E Preferred Stock

Upon the occurrence of a series C/D/E change of control, each holder of series C/D/E preferred stock will have the right, subject to Colony NorthStar's election, to redeem the Colony NorthStar series C, series D or series E preferred stock, as the case may be, prior to the series C/D/E change of control conversion date (as defined below), to convert each share of the Colony NorthStar series C, series D or series E preferred stock, as the case may be, held by such holder, which we refer to as the series C/D/E change of control conversion right, on the series C/D/E change of control conversion date into a number of shares of Colony NorthStar class A common stock, which we refer to as the series C/D/E common stock conversion consideration, equal to the lesser of: (i) the quotient obtained by dividing (A) the sum of the \$25.00 liquidation preference per share of Colony NorthStar series C, series D or series E preferred stock, as the case may be, plus the amount of any accrued and unpaid dividends thereon to, but not including, the series C/D/E change of control conversion date (unless the series C/D/E change of control conversion date occurs after a dividend payment record date and prior to the corresponding dividend payment date for the Colony NorthStar series C, series D or series E preferred stock, as the case may be, in which case no additional amount for such accrued and unpaid dividends will be included in this sum) by (B) the common stock price (as defined below); and (ii)(A) with respect to the series C preferred stock, 8.4585, which we refer to as the series C share cap; (B) with respect to the series D preferred stock, 5.8241, which we refer to as the series D share cap; and (C) with respect to the series E preferred stock, 3.5403, which we refer to as the series E share cap and, together with the series C share cap and the series D share cap, as the series C/D/E share cap, subject to adjustments to the share cap for any splits, subdivisions or combinations of Colony NorthStar class A common stock. The foregoing share caps will be adjusted in the event that the Colony class A exchange ratio, Colony class B exchange ratio or NRF exchange ratio is adjusted in certain limited circumstances as set forth in the merger agreement.

Except as otherwise required by law, the persons who are the holders of record of shares of Colony NorthStar series C, series D or series E preferred stock, as the case may be, at the close of business on a dividend payment record date will be entitled to receive the dividend payable on the corresponding dividend payment date notwithstanding the conversion of those shares after such dividend payment record date and on or prior to such dividend payment date and, in such case, the full amount of such dividend will be paid on such dividend payment date to the persons who were the holders of record at the close of business on such dividend payment record date. Except as provided in this paragraph, Colony NorthStar will make no allowance for unpaid dividends that are not in arrears on the shares of Colony NorthStar series C, series D or series E preferred stock, as the case may be, to be converted.

The series C/D/E share cap is subject to pro rata adjustments for any share splits (including those effected pursuant to a distribution of Colony NorthStar class A common stock to existing holders of Colony NorthStar class A common stock), subdivisions or combinations, in each case which we refer to as a share split, with respect to Colony NorthStar class A common stock as follows: the adjusted share cap as the result of a share split will be the number of shares of Colony NorthStar class A common stock that is equivalent to the product obtained by multiplying (i) the series C/D/E share cap in effect immediately prior to such share split by (ii) a fraction, the numerator of which is the number of shares of Colony NorthStar class A common stock outstanding immediately after giving effect to

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such share split and the denominator of which is the number of shares of Colony NorthStar class A common stock outstanding immediately prior to such share split.

For the avoidance of doubt, subject to the immediately succeeding sentence, the aggregate number of shares of Colony NorthStar class A common stock (or equivalent series C/D/E alternative conversion consideration (as defined below), as applicable) issuable or deliverable, as applicable, in connection with the exercise of the series C/D/E change of control conversion right will not exceed the product of the series C/D/E share cap times the aggregate number of shares of Colony NorthStar series C, series D or series E preferred stock, as the case may be, issued and outstanding at the series C/D/E change of control conversion date (or equivalent series C/D/E alternative conversion consideration, as applicable), or the series C/D/E exchange cap. The series C/D/E exchange cap is subject to pro rata adjustments for any share splits on the same basis as the corresponding adjustment to the series C/D/E share cap.

In the case of a series C/D/E change of control pursuant to which Colony NorthStar class A common stock is or will be converted into cash, securities or other property or assets (including any combination thereof), which we refer to as the alternative form consideration, a holder of shares of Colony NorthStar series C, series D or series E preferred stock, as the case may be, will receive upon conversion of such shares the kind and amount of series C/D/E alternative form consideration which such holder would have owned or been entitled to receive upon the series C/D/E change of control had such holder held a number of shares of Colony NorthStar class A common stock equal to the series C/D/E common stock conversion consideration immediately prior to the effective time of the series C/D/E change of control, which we refer to as the series C/D/E alternative conversion consideration; the series C/D/E common stock conversion consideration or the series C/D/E alternative conversion consideration, whichever shall be applicable to a series C/D/E change of control, is referred to as the series C/D/E Conversion Consideration.

If the holders of Colony NorthStar class A common stock have the opportunity to elect the form of consideration to be received in the series C/D/E change of control, the consideration in respect of such series C/D/E change of control will be deemed to be the kind and amount of consideration actually received by holders of a majority of the outstanding shares of Colony NorthStar class A common stock that made or voted for such an election (if electing between two types of consideration) or holders of a plurality of the outstanding shares of Colony NorthStar class A common stock that made or voted for such an election (if electing between more than two types of consideration), as the case may be, and will be subject to any limitations to which all holders of Colony NorthStar class A common stock are subject, including, without limitation, pro rata reductions applicable to any portion of the consideration payable in such series C/D/E change of control.

Colony NorthStar will not issue fractional shares of Colony NorthStar class A common stock upon the conversion of shares of Colony NorthStar series C, series D or series E preferred stock, as the case may be, in connection with a series C/D/E change of control. Instead, holders will be entitled to receive the cash value of such fractional shares based upon the series C/D/E common stock price used in determining the series C/D/E common stock conversion consideration for such series C/D/E change of control.

Within 15 days following the occurrence of a series C/D/E change of control, provided that Colony NorthStar has not then exercised its right to redeem all outstanding shares of series C/D/E preferred stock pursuant to the redemption provisions described above, Colony NorthStar will provide to holders of Colony NorthStar series C, series D or series E preferred stock, as the case may be, a notice of occurrence of the series C/D/E change of control that describes the resulting series C/D/E

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change of control conversion right, which notice shall be delivered to the holders of record of Colony NorthStar. This notice will state the following:

the events constituting the series C/D/E change of control;

the date of the series C/D/E change of control;

the last date on which the holders of Colony NorthStar series C, series D or series E preferred stock, as the case may be, may exercise their series C/D/E change of control conversion right;

the method and period for calculating the series C/D/E common stock price;

the series C/D/E change of control conversion date;

that if, prior to the series C/D/E change of control conversion date, Colony NorthStar has provided notice of its election to redeem all or any shares of Colony NorthStar series C, series D or series E preferred stock, as the case may be, holders will not be able to convert the shares of Colony NorthStar series C, series D or series E preferred stock, as the case may be, called for redemption and such shares will be redeemed on the related redemption date, even if such shares have already been tendered for conversion pursuant to the series C/D/E change of control conversion right;

if applicable, the type and amount of series C/D/E alternative conversion consideration entitled to be received per share of Colony NorthStar series C, series D or series E preferred stock, as the case may be;

the name and address of the paying agent, transfer agent and conversion agent for the Colony NorthStar series C, series D or series E preferred stock, as the case may be;

the procedures that the holders of Colony NorthStar series C, series D or series E preferred stock, as the case may be, must follow to exercise the series C/D/E change of control conversion right (including procedures for surrendering shares for conversion through the facilities of The Depository Trust Company or a similar depository, which we refer to as a Depository), including the form of conversion notice to be delivered by such holders as described below; and

the last date on which holders of Colony NorthStar series C, series D or series E preferred stock, as the case may be, may withdraw shares surrendered for conversion and the procedures that such holders must follow to effect such a withdrawal.

Under such circumstances, Colony NorthStar will also issue a press release containing such notice for publication on Dow Jones & Company, Inc., Business Wire, PR Newswire or Bloomberg Business News (or, if these organizations are not in existence at the time of issuance of the press release, such other news or press organization as is reasonably calculated to broadly disseminate the relevant information to the public), and post a notice on the Colony NorthStar website, in any event prior to the opening of business on the first Business Day following any date on which Colony NorthStar provides the notice described above to the holders of Colony NorthStar series C, series D or series E preferred stock, as the case may be.

To exercise the series C/D/E change of control conversion right, the holders of Colony NorthStar series C, series D or series E preferred stock, as the case may be, will be required to deliver,

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on or before the close of business on the series C/D/E change of control conversion date, the certificate(s), if any, representing the shares of Colony NorthStar series C, series D or series E preferred stock, as the case may be, to be converted, duly endorsed for transfer (or, in the case of any shares of Colony NorthStar series C, series D or series E preferred stock, as the case may be, held in book-entry form through a Depository, to deliver, on or before the close of business on the series C/D/E change of control conversion date, the shares of Colony NorthStar series C, series D or series E preferred stock, to be converted through the facilities of such Depository), together with a written conversion notice in the form provided by us, duly completed, to Colony NorthStar's transfer agent. The conversion notice must state:

the relevant series C/D/E change of control conversion date;

the number of shares of series Colony NorthStar C, series D or series E preferred stock, as the case may be, to be converted;
and

that the shares of Colony NorthStar series C, series D or series E preferred stock, as the case may be are to be converted pursuant to the applicable provisions of the Colony NorthStar series C, series D or series E preferred stock, as the case may be.

The "series C/D/E change of control conversion date" is the date the Colony NorthStar series C, series D or series E preferred stock, as the case may be, is to be converted, which will be a Business Day selected by Colony NorthStar that is no fewer than 20 days nor more than 35 days after the date on which Colony NorthStar provides the notice described above to the holders of Colony NorthStar series C, series D or series E preferred stock, as the case may be.

The "series C/D/E common stock price" is: (i) if the consideration to be received in the series C/D/E change of control by the holders of Colony NorthStar class A common stock is solely cash, the amount of cash consideration per share of Colony NorthStar class A common stock; or (ii) if the consideration to be received in the series C/D/E change of control by holders of Colony NorthStar class A common stock is other than solely cash (x) the average of the closing sale prices per share of Colony NorthStar class A common stock (or, if no closing sale price is reported, the average of the closing bid and ask prices per share or, if more than one in either case, the average of the average closing bid and the average closing ask prices per share) for the 10 consecutive trading days immediately preceding, but not including, the date on which such series C/D/E change of control occurred as reported on the principal U.S. securities exchange on which Colony NorthStar class A common stock is then traded, or (y) the average of the last quoted bid prices for Colony NorthStar class A common stock in the over-the-counter market as reported by Pink OTC Markets Inc. or similar organization for the 10 consecutive trading days immediately preceding, but not including, the date on which such series C/D/E change of control occurred, if Colony NorthStar class A common stock is not then listed for trading on a U.S. securities exchange.

Holders of Colony NorthStar series C, series D or series E preferred stock, as the case may be, may withdraw any notice of exercise of a series C/D/E change of control conversion right (in whole or in part) by a written notice of withdrawal delivered to Colony NorthStar's transfer agent prior to the close of business on the business day prior to the series C/D/E change of control conversion date. The notice of withdrawal delivered by any holder must state:

the number of withdrawn shares of Colony NorthStar series C, series D or series E preferred stock, as the case may be;

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if certificated Colony NorthStar series C, series D or series E preferred stock, as the case may be, has been surrendered for conversion, the certificate numbers of the withdrawn shares of Colony NorthStar series C, series D or series E preferred stock, as the case may be; and

the number of shares, if any of Colony NorthStar series C, series D or series E preferred stock, as the case may be, that remain subject to the holder's conversion notice.

Notwithstanding the foregoing, if any shares of Colony NorthStar series C, series D or series E preferred stock, as the case may be, are held in book-entry form through the Depositary, the conversion notice and/or the notice of withdrawal, as applicable, must comply with applicable procedures, if any, of the applicable depositary.

Colony NorthStar series C, series D or series E preferred stock, as the case may be, as to which the series C/D/E change of control conversion right has been properly exercised and for which the conversion notice has not been properly withdrawn will be converted into the applicable series C/D/E Conversion Consideration in accordance with the series C/D/E change of control conversion right on the change of control conversion date, unless prior to the series C/D/E change of control conversion date Colony NorthStar has provided notice of its election to redeem some or all of the shares of Colony NorthStar series C, series D or series E preferred stock, as the case may be, in which case only the shares of Colony NorthStar series C, series D or series E preferred stock, as the case may be, properly surrendered for conversion and not properly withdrawn that are not called for redemption will be converted as aforesaid. If Colony NorthStar elects to redeem shares of Colony NorthStar series C, series D or series E preferred stock, as the case may be, that would otherwise be converted into the applicable series C/D/E Conversion Consideration on a series C/D/E change of control conversion date, such shares of Colony NorthStar series C, series D or series E preferred stock, as the case may be, will not be so converted and the holders of such shares will be entitled to receive on the applicable redemption date the redemption price.

Colony NorthStar will deliver all securities, cash and any other property owing upon conversion no later than the third Business Day following the series C/D/E change of control conversion date. Notwithstanding the foregoing, the persons entitled to receive any shares of Colony NorthStar class A common stock or other securities delivered on conversion will be deemed to have become the holders of record thereof as of the series C/D/E change of control conversion date.

Notwithstanding any other provision of the Colony NorthStar series C, series D or series E preferred stock, as the case may be, no holder of Colony NorthStar series C, series D or series E preferred stock, as the case may be, will be entitled to convert such shares of the Colony NorthStar series C, series D or series E preferred stock, as the case may be, into shares of Colony NorthStar class A common stock or the series C/D/E alternative conversion consideration, as the case may be, to the extent that receipt of such shares of Colony NorthStar class A common stock or the series C/D/E alternative conversion consideration would cause such holder (or any other person) to exceed the applicable share ownership restrictions contained in the Colony NorthStar charter or the governing document of the surviving entity, as the case may be, unless Colony NorthStar provides an exemption from this limitation to such holder pursuant to the Colony NorthStar charter or such governing document of the surviving entity.

The series C/D/E change of control conversion feature may make it more difficult for a third party to acquire Colony NorthStar or discourage a party from acquiring Colony NorthStar.

Except as provided above in connection with a series C/D/E change of control, the series C/D/E preferred stock is not convertible into or exchangeable for any other securities or property.

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Upon the occurrence of a series F/G/H change of control, each holder of Colony NorthStar series F, series G and series H preferred stock will have the right, subject to Colony NorthStar's special optional redemption right, to convert some or all of the shares of Colony NorthStar series F, series G and series H preferred stock, as the case may be, held by such holder, which we refer to as the series F/G/H change of control conversion right, on the relevant series F/G/H change of control conversion date (as defined below) into a number of shares of Colony NorthStar class A common stock per share of Colony NorthStar series F, series G and series H preferred stock, as the case may be, which we refer to as the series F/G/H common stock conversion consideration, equal to the lesser of: (i) the quotient obtained by dividing (A) the sum of (x) \$25.00, plus (y) an amount equal to any accrued and unpaid dividends (whether or not declared) to, but not including, the series F/G/H change of control conversion date (as defined below), except if such series F/G/H change of control conversion date is after a record date for a dividend payment for the Colony NorthStar series F, series G or series H preferred stock, as the case may be, and prior to the corresponding dividend payment date for the Colony NorthStar series F, series G or series H preferred stock, as the case may be, in which case the amount pursuant to this clause (A)(y) shall equal \$0.00 in respect of such dividend, by (B) the series F/G/H common stock price, such quotient we refer to as the conversion rate; and (ii)(A) with respect to the Colony NorthStar series F preferred stock, 4.3718, which we refer to as the series F share cap; (B) with respect to the Colony NorthStar series G preferred stock, 3.2936, which we refer to as the series G share cap; and (C) with respect to the Colony NorthStar series H preferred stock, 2.8198, which we refer to as the series H share cap and, together with the series F share cap and the series G share cap, as the series F/G/H share cap. The foregoing share caps will be adjusted in the event that the Colony class A exchange ratio, Colony class B exchange ratio or NRF exchange ratio is adjusted in certain limited circumstances as set forth in the merger agreement.

The series F/G/H share cap is subject to pro rata adjustments for any share splits with respect to Colony NorthStar class A common stock as follows: the adjusted series F/G/H share cap as the result of a share split will be the number of shares of Colony NorthStar class A common stock that is equivalent to the product of (i) the series F/G/H share cap in effect immediately prior to such share split multiplied by (ii) a fraction, the numerator of which is the number of shares of Colony NorthStar class A common stock outstanding after giving effect to such share split and the denominator of which is the number of shares of Colony NorthStar class A common stock outstanding immediately prior to such share split.

For the avoidance of doubt, subject to the immediately succeeding sentence, the aggregate number of shares of Colony NorthStar class A common stock (or equivalent series F/G/H alternative conversion consideration (as defined below), as applicable) issuable in connection with the exercise of the series F/G/H change of control conversion right will not exceed: (i) with respect to the Colony NorthStar series F preferred stock, 22,733,222 shares of Colony NorthStar class A common stock (or equivalent alternative conversion consideration, as applicable), subject to increase to the extent the underwriters' over-allotment option to purchase additional Colony NorthStar series F preferred stock is exercised, not to exceed 26,143,205 shares of Colony NorthStar class A common stock in total (or equivalent series F/G/H alternative conversion consideration, as applicable), which we refer to as the series F exchange cap; (ii) with respect to the Colony NorthStar series G preferred stock, 9,880,809 shares of Colony NorthStar class A common stock (or equivalent alternative conversion consideration, as applicable), subject to increase to the extent the underwriters' over-allotment option to purchase additional Colony NorthStar series G preferred stock is exercised, not to exceed 11,362,931 shares of Colony NorthStar class A common stock in total (or equivalent series F/G/H alternative conversion consideration, as applicable), which we refer to as the series G exchange cap; and (iii) with respect to the Colony NorthStar series H preferred stock, 28,198,415 shares of Colony NorthStar class A common stock (or equivalent alternative conversion consideration, as applicable), subject to increase to the

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extent the underwriters' over-allotment option to purchase additional Colony NorthStar series H preferred stock is exercised, not to exceed 32,428,178 shares of Colony NorthStar class A common stock in total (or equivalent series F/G/H alternative conversion consideration, as applicable), which we refer to as the series H exchange cap and, together with the series F exchange cap and the series G exchange cap, as the exchange cap. The exchange cap is subject to pro rata adjustments for any share splits with respect to Colony NorthStar class A common stock as follows: the adjusted exchange cap as the result of a share split will be the number of shares of Colony NorthStar class A common stock that is equivalent to the product of (i) the exchange cap in effect immediately prior to such share split multiplied by (ii) a fraction, the numerator of which is the number of shares of Colony NorthStar class A common stock outstanding after giving effect to such share split and the denominator of which is the number of shares of Colony NorthStar class A common stock outstanding immediately prior to such share split. The foregoing exchange caps will be adjusted in the event that the Colony class A exchange ratio, Colony class B exchange ratio or NRF exchange ratio is adjusted in certain limited circumstances as set forth in the merger agreement.

In the case of a series F/G/H change of control as a result of which holders of Colony NorthStar class A common stock are entitled to receive consideration other than solely shares of Colony NorthStar class A common stock, including other securities, other property or assets (including cash or any combination thereof) with respect to or in exchange for shares of Colony NorthStar class A common stock, which we refer to as the series F/G/H alternative form consideration, a holder of Colony NorthStar series F, series G or series H preferred stock, as the case may be, will be entitled thereafter to convert (subject to Colony NorthStar's special optional redemption right) such shares of Colony NorthStar series F, series G or series H preferred stock, as the case may be, not into Colony NorthStar class A common stock but solely into the kind and amount of series F/G/H alternative form consideration which the holder of Colony NorthStar series F, series G or series H preferred stock, as the case may be, would have owned or been entitled to receive upon such series F/G/H change of control as if such holder of Colony NorthStar series F, series G or series H preferred stock, as the case may be, then held the series F/G/H common stock conversion consideration immediately prior to the effective time of the series F/G/H change of control, which we refer to as the series F/G/H alternative conversion consideration, and the series F/G/H common stock conversion consideration or the series F/G/H alternative conversion consideration, as may be applicable to a series F/G/H change of control, is referred to as the series F/G/H Conversion Consideration.

If the holders of Colony NorthStar class A common stock have the opportunity to elect the form of consideration to be received in such series F/G/H change of control, the series F/G/H Conversion Consideration will be deemed to be the kind and amount of consideration actually received by holders of a majority of the outstanding shares of Colony NorthStar class A common stock that voted for such an election (if electing between two types of consideration) or holders of a plurality of the outstanding shares of Colony NorthStar class A common stock that voted for such an election (if electing between more than two types of consideration), as the case may be.

Colony NorthStar will not issue fractional shares of Colony NorthStar class A common stock upon the conversion of Colony NorthStar series F, series G or series H preferred stock, as the case may be. Instead, Colony NorthStar will pay the cash value of such fractional shares.

Within 15 days following the occurrence of a series F/G/H change of control, Colony NorthStar will provide to holders of series F/G/H preferred stock a notice of occurrence of the series F/G/H change of control that describes the resulting series F/G/H change of control conversion right. This notice will state the following:

the events constituting the series F/G/H change of control;

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the date of the series F/G/H change of control;

the last date on which the holders of series F/G/H preferred stock may exercise their series F/G/H change of control conversion right;

the method and period for calculating the series F/G/H common stock price;

the series F/G/H change of control conversion date, which will be a Business Day occurring within 20 to 35 days following the date of the notice;

if applicable, the type and amount of series F/G/H alternative conversion consideration entitled to be received per share of Colony NorthStar series F, series G or series H preferred stock, as may be the case;

the name and address of the paying agent and the conversion agent; and

the procedures that the holders of series F/G/H preferred stock must follow to exercise the series F/G/H change of control conversion right.

Colony NorthStar will issue a press release for publication on the Dow Jones & Company, Inc., Business Wire, PR Newswire or Bloomberg Business News (or, if such organizations are not in existence at the time of issuance of such press release, such other news or press organization as is reasonably calculated to broadly disseminate the relevant information to the public), or post notice on Colony NorthStar's website, in any event prior to the opening of business on the first business day following any date on which Colony NorthStar provides the notice described above to the holders of Colony NorthStar series F, series G or series H preferred stock, as the case may be.

In order to exercise the series F/G/H change of control conversion right, the holders of Colony NorthStar series F, series G or series H preferred stock, as the case may be, will be required to deliver, on or before the close of business on the series F/G/H change of control conversion date, the certificates (if any) evidencing shares of Colony NorthStar series F, series G or series H preferred stock, as may be the case, to be converted, duly endorsed for transfer, together with a written conversion notice completed, to Colony NorthStar's transfer agent. The conversion notice must state:

the relevant series F/G/H change of control conversion date;

the number of shares of Colony NorthStar series F, series G or series H preferred stock, as may be the case, to be converted; and

that the shares of Colony NorthStar series F, series G or series H preferred stock, as may be the case, are to be converted pursuant to the applicable provisions of the Colony NorthStar series F, series G or series H preferred stock, as applicable.

The "series F/G/H change of control conversion date" will be a Business Day that is no less than 20 days nor more than 35 days after the date on which Colony NorthStar provides the notice described above to the holders of series F/G/H preferred stock.

Holders of Colony NorthStar series F, series G or series H preferred stock, as may be the case, may withdraw any notice of exercise of a series F/G/H change of control conversion right (in whole or in part) by a written notice of withdrawal delivered to Colony NorthStar's transfer agent prior

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to the close of business on the business day prior to the change of control conversion date. The notice of withdrawal must state:

the number of withdrawn shares of Colony NorthStar series F, series G or series H preferred stock, as may be the case;

if certificated shares of Colony NorthStar series F, series G or series H preferred stock, as may be the case, have been issued, the certificate numbers of the withdrawn shares of Colony NorthStar series F, series G or series H preferred stock, as applicable; and

the number of shares, if any, of Colony NorthStar series F, series G or series H preferred stock, as may be the case, that remain subject to the conversion notice.

Notwithstanding the foregoing, if the shares of Colony NorthStar series F, series G or series H preferred stock, as may be the case, are held in global form, the conversion notice and/or the notice of withdrawal, as applicable, must comply with applicable procedures of the Depository.

Colony NorthStar series F, series G or series H preferred stock, as may be the case, as to which the series F/G/H change of control conversion right has been properly exercised and for which the conversion notice has not been properly withdrawn will be converted into the applicable series F/G/H Conversion Consideration in accordance with the series F/G/H change of control conversion right on the series F/G/H change of control conversion date.

In connection with the exercise of any series F/G/H change of control conversion right, Colony NorthStar will comply with all U.S. federal and state securities laws and stock exchange rules in connection with any conversion of Colony NorthStar series F, series G or series H preferred stock, as may be the case, into Colony NorthStar class A common stock. Notwithstanding any other provision of Colony NorthStar series F, series G or series H preferred stock, as may be the case, no holder of Colony NorthStar series F, series G or series H preferred stock, as may be the case, for Colony NorthStar class A common stock to the extent that receipt of such Colony NorthStar class A common stock would cause such holder (or any other person) to exceed the share ownership limits contained in the Colony NorthStar charter.

The "series F/G/H common stock price" will be: (i) if the consideration to be received in the series F/G/H change of control by holders of Colony NorthStar class A common stock is solely cash, the amount of cash consideration per share of Colony NorthStar class A common stock; (ii) if the consideration to be received in the Colony NorthStar change of control by holders of Colony NorthStar class A common stock is other than solely cash, the average of the closing price per share of Colony NorthStar class A common stock on the 10 consecutive trading days immediately preceding, but not including, the effective date of the series F/G/H change of control; and (iii) if there is not a readily determinable closing price for Colony NorthStar class A common stock or series F/G/H alternative form consideration, the fair market value of Colony NorthStar class A common stock or such series F/G/H alternative form consideration (as determined by the Colony NorthStar board or a committee thereof).

Transfer Restrictions

For Colony NorthStar to qualify as a REIT under the Code, Colony NorthStar's capital stock must be beneficially owned by 100 or more persons during at least 335 days of a taxable year of 12 months or during a proportionate part of a shorter taxable year. Also, not more than 50% of the value of Colony NorthStar's outstanding stock may be owned, directly or indirectly, by five or fewer individuals (as defined in the Code to include certain entities) during the last half of a taxable year.

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The Colony NorthStar charter contains restrictions on the number of shares of Colony NorthStar capital stock that a person may own. No person, including entities, may acquire or hold, directly or indirectly, in excess of 9.8% in value of the aggregate of the outstanding shares of Colony NorthStar's capital stock, which we refer to as the aggregate stock ownership limit. In addition, no person, including entities, may acquire or hold, directly or indirectly, shares of Colony NorthStar common stock in excess of 9.8% (in value or number, whichever is more restrictive) of the aggregate of the outstanding shares of Colony NorthStar common stock and performance common stock, which we refer to as the common stock ownership limit and, together with the aggregate stock ownership limit, we refer to as the ownership limits.

The Colony NorthStar charter further prohibits: (i) any person from beneficially or constructively owning shares of Colony NorthStar capital stock that would result in Colony NorthStar (A) being "closely held" under Section 856(h) of the Code (without regard to whether the ownership interest is held during the last half of the taxable year); (B) owning (directly or constructively) an interest in a tenant as described in Section 856(d)(2)(B) of the Code if the income derived by Colony NorthStar (either directly or indirectly through one or more partnerships or limited liability companies) from such tenant for the taxable year during which such determination is made would reasonably be expected to equal or exceed the lesser of either (1) one percent of Colony NorthStar's gross income (as determined for purposes of Section 856(c) of the Code); or (2) the amount that would cause Colony NorthStar to fail to satisfy any of the gross income requirements of Section 856(c) of the Code; or (C) otherwise failing to qualify as a REIT; and (ii) any person from transferring stock of Colony NorthStar if the transfer would result, if effective, in stock of Colony NorthStar being owned by fewer than 100 persons. Any person who acquires or who attempts or intends to acquire shares of Colony NorthStar capital stock that may violate any of these restrictions or who is the intended transferee of shares of Colony NorthStar capital stock, which are transferred to a trust as described below is required to give Colony NorthStar immediate written notice, or in the case of a proposed or attempted transaction, give at least 15 days prior written notice, and provide Colony NorthStar with such information as it may request in order to determine the effect, if any, of the transfer on Colony NorthStar's qualification as a REIT.

The above restrictions will not apply if the Colony NorthStar board determines that it is no longer in Colony NorthStar's best interests to attempt to, or continue to, qualify as a REIT (or that compliance is no longer required for REIT qualification). The Colony NorthStar board, in its sole discretion, may exempt (prospectively or retroactively) a person from the ownership limits, subject to such terms, conditions, representations and undertakings as it may determine and as are contained in the Colony NorthStar charter. Additionally, the Colony NorthStar board may increase or decrease the ownership limits for one or more persons and increase or decrease the ownership limits for all other persons subject to such terms, conditions, representations and undertakings as it may determine and as are contained in the Colony NorthStar charter.

Any attempted transfer of shares of Colony NorthStar capital stock that would result in shares of capital stock of Colony NorthStar being owned by fewer than 100 persons will be null and void, and the intended transferee will acquire no rights in such shares. Any attempted transfer of shares of Colony NorthStar capital stock which, if effective, would result in any other violation of the above limitations, will cause the number of shares causing the violation (rounded up to the nearest whole share) to be automatically transferred to a trust for the exclusive benefit of one or more charitable beneficiaries and the proposed transferee will not acquire any rights in the shares. If the automatic transfer to the trust would not be effective for any reason to prevent the violation of the above limitations, then the transfer of that number of shares of Colony NorthStar capital stock that otherwise would cause the violation will be null and void, and the proposed transferee will not acquire any rights in the shares. The automatic transfer will be deemed to be effective as of the close of business on the business day (as defined in the Colony NorthStar charter) prior to the date of the purported transfer.

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Shares of Colony NorthStar capital stock held in a trust pursuant to the Colony NorthStar charter will be issued and outstanding shares. The proposed transferee will not benefit economically from ownership of any shares of Colony NorthStar capital stock held in the trust, will have no rights to dividends or other distributions and no rights to vote or other rights attributable to the shares of Colony NorthStar capital stock held in the trust. The trustee of the trust will have all voting rights and rights to dividends or other distributions with respect to shares held in the trust. These rights will be exercised for the exclusive benefit of the charitable beneficiary or beneficiaries. Any dividend or other distribution paid with respect to shares of Colony NorthStar capital stock prior to the discovery by Colony NorthStar that shares have been transferred to the trustee must be paid by the recipient to the trustee upon demand. Any dividend or other distribution authorized but unpaid will be paid when due to the trustee. Any dividend or other distribution paid to the trustee will be held in trust for the charitable beneficiary or beneficiaries. Subject to Maryland law, effective as of the date that the shares of Colony NorthStar capital stock are transferred to the trust, the trustee will have the authority, at the trustee's sole and absolute discretion, to: (i) rescind as void any vote cast by the proposed transferee prior to the discovery by Colony NorthStar that the shares have been transferred to the trustee; and (ii) recast the vote. However, if Colony NorthStar has already taken irreversible corporate action, then the trustee will not have the authority to rescind and recast the vote. The Colony NorthStar board may establish additional trusts with distinct trustees and charitable beneficiaries to which shares may be transferred, if necessary to protect Colony NorthStar's qualification as a REIT. Furthermore, the Colony NorthStar charter grants the Colony NorthStar board the authority to take other actions, including the redemption of shares of stock, that it deems advisable to prevent a violation of the transfer and ownership restrictions described above.

Within 20 days of receiving notice from Colony NorthStar that shares of Colony NorthStar capital stock have been transferred to the trust, the trustee of the trust will sell the shares to a person designated by the trustee, whose ownership of the shares will not violate the above ownership limitations. Upon the sale, the interest of the charitable beneficiary in the shares sold will terminate and the trustee will distribute the net proceeds of the sale to the proposed transferee and to the charitable beneficiary as follows. The proposed transferee will receive the lesser of: (i) the price paid by the proposed transferee for the shares or, if the proposed transferee did not give value for the shares in connection with the event causing the shares to be held in the trust (*e.g.*, a gift, devise or other similar transaction), the market price (as defined in the Colony NorthStar charter) of the shares on the day of the event causing the shares to be held in the trust and (ii) the price per share received by the trustee, net of any commission and other expenses of sale, from the sale or other disposition of the shares held in the trust. The trustee may reduce the amount payable to the proposed transferee by the amount of dividends or other distributions which have been paid to the proposed transferee and are owed by the proposed transferee to the trustee. Any net sale proceeds in excess of the amount payable to the proposed transferee will be paid immediately to the charitable beneficiary. If, prior to Colony NorthStar discovering that shares of Colony NorthStar capital stock have been transferred to the trustee, the shares are sold by the proposed transferee, then: (i) the shares will be deemed to have been sold on behalf of the trust; and (ii) to the extent that the proposed transferee received an amount for the shares that exceeds the amount he, she or it was entitled to receive, the excess will be paid to the trustee upon demand.

In addition, shares of Colony NorthStar capital stock held in the trust will be deemed to have been offered for sale to Colony NorthStar, or its designee, at a price per share equal to the lesser of: (i) the price per share in the transaction that resulted in the transfer to the trust (or, in the case of a devise or gift, the market price at the time of the devise or gift); and (ii) the market price on the date Colony NorthStar, or its designee, accepts the offer. Colony NorthStar may reduce the amount payable to the proposed transferee by the amount of dividends or other distributions which have been paid to the proposed transferee and are owed by the proposed transferee to the trustee. Colony NorthStar may pay the amount of such reduction to the trustee for the benefit of the charitable beneficiary. Colony

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NorthStar will have the right to accept the offer until the trustee has sold the shares. Upon a sale to Colony NorthStar, the interest of the charitable beneficiary in the shares sold will terminate and the trustee will distribute the net proceeds of the sale to the proposed transferee.

All certificates representing shares of Colony NorthStar capital stock will bear a legend referring to the restrictions described above.

Every owner of 5% or more (or such lower percentage as required by the Code or the regulations promulgated thereunder) of the outstanding stock of Colony NorthStar is required, within 30 days after the end of each taxable year, to give Colony NorthStar written notice stating his, her or its name and address, the number of shares of each class and series of stock of Colony NorthStar which he, she or it beneficially owns and a description of the manner in which the shares are held. Each such owner must provide Colony NorthStar with such additional information as it may request in order to determine the effect, if any, of his beneficial ownership on Colony NorthStar's qualification as a REIT and to ensure compliance with the ownership limits. In addition, each stockholder must be required to provide Colony NorthStar with such information as Colony NorthStar may request in order to determine Colony NorthStar's qualification as a REIT and to comply with the requirements of any taxing authority or governmental authority or to determine such compliance.

These restrictions on ownership and transfer could delay, defer or prevent a transaction or a change in control that might involve a premium price for Colony NorthStar common stock or otherwise be in the best interest of the Colony NorthStar stockholders.

Transfer Agent and Registrar

The transfer agent and registrar for Colony NorthStar common stock and Colony NorthStar preferred stock is American Stock Transfer & Trust Company, LLC.

Listing

Class A Common Stock

Colony NorthStar class A common stock is currently not traded or quoted on a stock exchange or quotation system. Following the Mergers, Colony NorthStar class A common stock is expected to be listed for trading on the NYSE. It is anticipated that Colony NorthStar class A common stock will be listed under the symbol "CLNS."

Preferred Stock

Colony NorthStar preferred stock is currently not traded or quoted on a stock exchange or quotation system. Following the Mergers, Colony NorthStar preferred stock is expected to be listed for trading on the NYSE. It is anticipated that: Colony NorthStar series A preferred stock will be listed under the symbol "CLNS-A"; Colony NorthStar series B preferred stock will be listed under the symbol "CLNS-B"; Colony NorthStar series C preferred stock will be listed under the symbol "CLNS-C"; Colony NorthStar series D preferred stock will be listed under the symbol "CLNS-D"; Colony NorthStar series E preferred stock will be listed under the symbol "CLNS-E"; Colony NorthStar series F preferred stock will be listed under the symbol "CLNS-F"; Colony NorthStar series G preferred stock will be listed under the symbol "CLNS-G"; and Colony NorthStar series H preferred stock will be listed under the symbol "CLNS-H";

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**CERTAIN PROVISIONS OF MARYLAND LAW AND OF THE COLONY
NORTHSTAR CHARTER AND THE COLONY NORTHSTAR BYLAWS**

The following description of the terms of certain provisions of Maryland law and the charter and bylaws of Colony NorthStar that will be in effect upon consummation of the Mergers is only a summary. For a complete description, refer to the MGCL and Colony NorthStar's charter and bylaws. The Colony NorthStar charter and the Colony NorthStar bylaws are attached as Annex B and Annex C, respectively, to this joint proxy statement/prospectus and are incorporated herein by reference and this summary is qualified in its entirety thereby.

The Colony NorthStar Board of Directors

The Colony NorthStar charter and Colony NorthStar bylaws provide that, subject to the rights of holders of one or more classes or series of preferred stock, the number of directors of Colony NorthStar may be established by the Colony NorthStar board but may not be fewer than the minimum required by the MGCL (which is currently one) nor more than 15. The Colony NorthStar charter provides that vacancies on the Colony NorthStar board may be filled in the manner provided in the Colony NorthStar bylaws, which provide that vacancies on the Colony NorthStar board may be filled by a majority of the remaining directors in office, even if the remaining directors do not constitute a quorum, or by the stockholders to the extent that such vacancy results from the removal of a director by the stockholders. Under Maryland law, stockholders may fill a vacancy on the Colony NorthStar board that is caused by the removal of a director. Any director elected to fill a vacancy will serve until the next annual meeting of stockholders and until his or her successor is duly elected and qualified.

There will be no cumulative voting in the election of directors. A nominee for director shall be elected as a director if such nominee receives the affirmative vote of a majority of the total votes cast for and against such nominee at a meeting of stockholders duly called and at which a quorum is present. However, directors shall be elected by a plurality of the votes cast at a meeting of stockholders duly called and at which a quorum is present for which (i) the secretary of Colony NorthStar receives notice that a stockholder has nominated an individual for election as a director in compliance with the requirements set forth in the Colony NorthStar bylaws; and (ii) such nomination has not been withdrawn by such stockholder on or before the close of business on the tenth day before the date of filing of the definitive proxy statement of Colony NorthStar with the Securities and Exchange Commission, and, as a result of which, the number of nominees is greater than the number of directors to be elected at the meeting. Colony NorthStar also intends to adopt a resignation policy in its Corporate Governance Guidelines that requires an incumbent director who fails to receive the required vote for re-election to offer to resign from the Colony NorthStar board.

Removal of Directors

The Colony NorthStar charter provides that, subject to the rights of holders of one or more classes or series of preferred stock, a director may be removed from office at any time, with or without cause, by the affirmative vote of the holders of shares entitled to cast a majority of the votes entitled to be cast generally in the election of directors.

Special Meetings of Stockholders

The Chairman of the Colony NorthStar board, Vice Chairman of the Colony NorthStar board, Colony NorthStar's Chief Executive Officer, Colony NorthStar's President and the Colony NorthStar board may call special meetings of the Colony NorthStar stockholders. A special meeting of the Colony NorthStar stockholders to act on any matter that may properly be considered at a meeting of Colony NorthStar's stockholders must also be called by Colony NorthStar's secretary upon the written request

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of stockholders entitled to cast twenty-five percent of all the votes entitled to be cast on such matter at the meeting and containing the information required by the Colony NorthStar bylaws.

Business Combinations

Under Maryland law, "business combinations" between a Maryland corporation and an interested stockholder or an affiliate of an interested stockholder are prohibited for five years after the most recent date on which the interested stockholder becomes an interested stockholder. These business combinations include a merger, consolidation, share exchange or, in circumstances specified in the statute, an asset transfer or issuance or reclassification of equity securities. An interested stockholder is defined as:

any person who beneficially owns 10% or more of the voting power of the corporation's outstanding voting stock; or

an affiliate or associate of the corporation who, at any time within the two-year period prior to the date in question, was the beneficial owner of 10% or more of the voting power of the then outstanding voting stock of the corporation.

A person is not an interested stockholder under the statute if the board of directors of the corporation approved in advance the transaction by which the person otherwise would have become an interested stockholder. In approving a transaction, the Colony NorthStar board may provide that its approval is subject to compliance, at or after the time of approval, with any terms and conditions determined by the Colony NorthStar board.

After the five-year prohibition, any business combination between the Maryland corporation and an interested stockholder generally must be recommended by the board of directors of the corporation and approved by the affirmative vote of at least:

80% of the votes entitled to be cast by holders of outstanding shares of voting stock of the corporation; and

two-thirds of the votes entitled to be cast by holders of voting stock of the corporation other than shares held by the interested stockholder with whom or with whose affiliate the business combination is to be effected or held by an affiliate or associate of the interested stockholder.

These supermajority vote requirements do not apply if the corporation's common stockholders receive a minimum price, as defined under Maryland law, for their shares in the form of cash or other consideration in the same form as previously paid by the interested stockholder for its shares.

The statute provides various exemptions from its provisions, including for business combinations that are exempted by the board of directors before the time that the interested stockholder becomes an interested stockholder. Pursuant to the statute, the Colony NorthStar board, through a board resolution, has exempted any business combinations between Colony NorthStar and any person, provided that any such business combination is first approved by the Colony NorthStar board (including a majority of the directors of Colony NorthStar who are not affiliates or associates of such person). Consequently, the five-year prohibition and the supermajority vote requirements will not apply to business combinations between Colony NorthStar and any interested stockholders (or their affiliates). As a result, such parties may be able to enter into business combinations with Colony NorthStar that may not be in the best interest of the stockholders of Colony NorthStar, without compliance with the supermajority vote requirements and the other provisions of the statute.

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The business combination statute may discourage others from trying to acquire control of Colony NorthStar and increase the difficulty of consummating any offer.

Control Share Acquisitions

Maryland law provides that control shares (as defined below) of a Maryland corporation acquired in a control share acquisition (as defined below) have no voting rights except to the extent approved by the affirmative vote of the holders entitled to cast two-thirds of the votes entitled to be cast on the matter. Shares owned by the acquiror, by officers or by directors who are employees of the corporation are excluded from shares entitled to vote on the matter. Control shares are voting shares of stock which, if aggregated with all other shares of stock owned by the acquiror or in respect of which the acquiror is able to exercise or direct the exercise of voting power (except solely by virtue of a revocable proxy), would entitle the acquiror to exercise voting power in electing directors within one of the following ranges of voting power:

one-tenth or more but less than one-third;

one-third or more but less than a majority; or

a majority or more of all voting power.

Control shares do not include shares that the acquiring person is then entitled to vote as a result of having previously obtained stockholder approval or shares acquired directly from the corporation. A control share acquisition means the acquisition of issued and outstanding control shares, subject to certain exceptions.

A person who has made or proposes to make a control share acquisition may compel the board of directors of the corporation to call a special meeting of stockholders to be held within 50 days of demand to consider the voting rights of the shares. The right to compel the calling of a special meeting is subject to the satisfaction of certain conditions, including an undertaking to pay the expenses of the meeting. If no request for a meeting is made, the corporation may itself present the question at any stockholders meeting.

If voting rights of the control shares acquired in a control share acquisition are not approved at the meeting or if the acquiring person does not deliver an acquiring person statement as required by the statute, then the corporation may redeem for fair value any or all of the control shares, except those for which voting rights have previously been approved. The right of the corporation to redeem control sha