



# Holloway LODGING

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**NOTICE OF MEETING  
AND  
MANAGEMENT INFORMATION CIRCULAR**

**ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS OF  
HOLLOWAY LODGING CORPORATION**

**March 29, 2018**





## ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

### THIS BOOKLET EXPLAINS:

- details of the matters to be voted upon at the annual and special meeting (the "**Meeting**") of the holders ("**Shareholders**") of the common shares (the "**Common Shares**") of Holloway Lodging Corporation ("**Holloway**" or the "**Company**"); and
- how to exercise your vote even if you are unable to attend the Meeting.

### THIS BOOKLET CONTAINS:

- the notice of annual and special meeting of Shareholders (the "**Notice of Meeting**");
- a management information circular (the "**Information Circular**"); and
- a form of proxy (a "**Form of Proxy**") that you may use to vote your Common Shares without attending the Meeting.

**This Information Circular and Form of Proxy are furnished in connection with the solicitation of proxies by or on behalf of the board of directors of Holloway for use at the Meeting to be held on May 11, 2018.**

At the Meeting, Shareholders will be asked to consider the presentation of financial results for the year ended December 31, 2017, the election of directors of the Company, the re-appointment of the auditors of Holloway and the adoption of an ordinary resolution to approve the unallocated options under the Stock Option Plan of the Company.

Your presence, or at least your vote if you are unable to attend in person, is important. Please vote your Form of Proxy by 2:00 p.m. Eastern Daylight Time on May 9, 2018.

### REGISTERED AND NON-OBJECTING BENEFICIAL SHAREHOLDERS

**PLEASE NOTE:** A Form of Proxy is enclosed with this booklet that may be used to vote your Common Shares. Instructions on how to vote using this Form of Proxy are found beginning on page 4 of the Information Circular.

### OBJECTING BENEFICIAL SHAREHOLDERS

**PLEASE NOTE:** If your Common Shares are held on your behalf, or for your account, by an intermediary (such as a securities broker, financial institution, trustee, custodian or other nominee who holds Common Shares on your behalf or in the name of a clearing agency in which the intermediary is a participant) (an "**Intermediary**"), you must carefully follow the instructions provided by your Intermediary with this booklet in order to vote.





## NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

**NOTICE IS HEREBY GIVEN** that the annual and special meeting (the "**Meeting**") of holders (the "**Shareholders**") of the common shares ("**Common Shares**") of Holloway Lodging Corporation ("**Holloway**" or the "**Company**") will be held at:

Bennett Jones LLP  
3400 One First Canadian Place  
Toronto, Ontario  
on  
Friday, May 11, 2018  
at 2:00 p.m. Eastern Daylight Time

The following business will be conducted at the Meeting:

- (a) the presentation of the financial statements of Holloway for the year ended December 31, 2017 and the report of the auditors thereon;
- (b) the election of the directors of Holloway (the "**Directors**");
- (c) the re-appointment of PricewaterhouseCoopers LLP as auditors of Holloway and authorizing the Audit Committee of the Board of Directors of Holloway (the "**Board**") to fix the remuneration to be paid to the auditors;
- (d) to consider and, if deemed advisable, to pass, with or without alteration or modification, an ordinary resolution (the "**Option Plan Resolution**"), the full text of which is set forth in Appendix A to the Information Circular, approving the unallocated options under the Stock Option Plan of Holloway; and
- (e) the transaction of any other business as may properly come before the Meeting and any and all adjournments thereof.

The Information Circular provides additional information relating to matters to be dealt with at the Meeting and forms part of this Notice of Annual and Special Meeting of Shareholders.

As a registered Shareholder or non-objecting beneficial Shareholder, you are entitled to attend the Meeting and to cast one vote for each Common Share that you own.

The Company has elected to use the notice-and-access provisions under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* and National Instrument 51-102 – *Continuous Disclosure Obligations* ("**Notice-and-Access Provisions**") for this Meeting. Notice-and-Access Provisions are a set of rules developed by the Canadian Securities Administrators that reduce the volume of materials that must be physically mailed to Shareholders by allowing the Company to post electronic copies of meeting materials, including the Information Circular, the financial statements and MD&A of the Company (collectively, the "**Meeting Materials**"), rather than mailing paper copies of the materials to Shareholders. Shareholders will still receive a form of proxy

("Form of Proxy") or voting instruction form, as applicable, and may choose to receive a hardcopy of the Meeting Materials.

The Company will not use procedures known as 'stratification' in relation to the use of Notice-and-Access Provisions.

Please review the Information Circular carefully and in full prior to voting in relation to the matters set out above, as the Information Circular has been prepared to help you make an informed decision on such matters. The Information Circular is available from the Company's transfer agent at [www.meetingdocuments.com/ASTca/hlc](http://www.meetingdocuments.com/ASTca/hlc) on the website of the Company at [www.hlcorp.ca](http://www.hlcorp.ca), and under the Company's profile on the System for Electronic Document Analysis and Retrieval at [www.sedar.com](http://www.sedar.com).

Any registered or non-registered Shareholder of the Company who wishes to receive a paper copy of the Meeting Materials should contact the Company's transfer agent, AST Trust Company (Canada) ("AST") by telephone at: 1-888-433-6443 or by e-mail at: [fulfilment@astfinancial.com](mailto:fulfilment@astfinancial.com). In order to ensure that a paper copy of the Meeting Materials can be delivered to a requesting Shareholder in time for such Shareholder to review the Meeting Materials and return a Form of Proxy or voting instruction form, as applicable, prior to the deadline to receive proxies, it is strongly suggested that a Shareholder ensure that their request is received in advance of 2:00 p.m. Eastern Daylight Time on April 25, 2018. Meeting Materials will be sent to Shareholders at no cost to them within three days of their request, if such requests are made before the deadline.

All registered and non-registered Shareholders may contact AST by telephone at: 1-888-433-6443 or by e-mail at: [fulfilment@astfinancial.com](mailto:fulfilment@astfinancial.com) in order to obtain additional information regarding the Notice-and-Access Provisions.

**In order to be valid for use at the Meeting, proxies must be received not less than 48 hours (excluding Saturdays, Sundays and holidays) prior to the Meeting or any adjournment(s) or postponement(s) thereof.** Non-registered Shareholders of the Company should follow the instructions on how to complete their voting instruction form and vote their shares on the forms that they receive or contact their broker, trustee, financial institution or other nominee for instructions.

The Board has fixed the close of business on March 27, 2018 as the record date for determining the holders of record of Common Shares who are entitled to receive notice of the Meeting and to attend and vote at the Meeting, or any adjournment(s) or postponement(s) thereof.

**DATED** at Halifax, Nova Scotia this 29<sup>th</sup> day of March, 2018.

By Order of the Board

(Signed): "*Michael Rapps*"

Michael Rapps  
Chairman

## Table of Contents

INTRODUCTION .....	1
REFERENCES TO CURRENCY .....	1
PROXY MATTERS .....	1
SOLICITATION OF PROXIES .....	1
COMMON SHARES AND PRINCIPAL HOLDERS THEREOF .....	2
NOTICE AND ACCESS .....	3
VOTING IN PERSON .....	4
VOTING BY PROXY FOR REGISTERED SHAREHOLDERS AND NON-OBJECTING BENEFICIAL OWNERS .....	4
VOTING OF PROXIES .....	5
QUORUM .....	6
BUSINESS OF THE MEETING.....	6
PRESENTATION OF FINANCIAL STATEMENTS .....	6
ELECTION OF DIRECTORS .....	6
APPOINTMENT OF AUDITORS.....	8
OTHER BUSINESS OF THE MEETING.....	9
STATEMENT OF EXECUTIVE COMPENSATION.....	9
COMPENSATION DISCUSSION AND ANALYSIS.....	9
SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS .....	14
REMUNERATION OF DIRECTORS .....	17
INDEBTEDNESS OF DIRECTORS AND OTHERS.....	18
INSURANCE AND INDEMNIFICATION .....	19
INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON .....	19
INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS .....	19
GOVERNANCE DISCLOSURE .....	20
BOARD COMPOSITION AND INDEPENDENCE .....	20
COMMITTEES OF THE BOARD.....	20
ADDITIONAL INFORMATION .....	21
DIRECTORS' APPROVAL.....	22
APPENDIX A .....	A-1
APPENDIX B.....	B-1
APPENDIX C.....	C-1

**HOLLOWAY LODGING CORPORATION**  
**MANAGEMENT INFORMATION CIRCULAR**

**INTRODUCTION**

This management information circular (the "**Information Circular**") is furnished in connection with the solicitation by the Board of Directors (referred to as either the "**Directors**" or the "**Board**") of Holloway Lodging Corporation ("**Holloway**" or the "**Company**") of proxies to be used at the annual and special meeting (the "**Meeting**") of holders (the "**Shareholders**") of common shares (the "**Common Shares**") to be held on May 11, 2018 at Bennett Jones LLP, 3400 One First Canadian Place, Toronto, Ontario, commencing at 2:00 p.m. Eastern Daylight Time, and at all postponements or adjournments thereof, for the purpose of transacting the business set forth in the accompanying Notice of Meeting. All dollar amounts in this Information Circular are expressed in Canadian dollars, unless otherwise indicated.

The Information Circular's purpose is:

- (i) to explain how, as a Shareholder, you can vote at the Meeting, either in person or by transferring your vote to someone else to vote on your behalf;
- (ii) to request that you authorize the Chairman of the Board (or his alternate) to vote on your behalf in accordance with your instructions set out on a form of proxy (the "**Form of Proxy**"); and
- (iii) to inform you about the business to be conducted at the Meeting.

This Information Circular does not constitute an offer to buy, or a solicitation of an offer to sell, any securities, or the solicitation of a proxy, by any Person<sup>(1)</sup> in any jurisdiction in which such an offer or solicitation is not authorized or in which the Person making such offer or solicitation is not qualified to do so, or to any Person to whom it is unlawful to make such an offer or solicitation of an offer or a proxy solicitation. Neither the delivery of this Information Circular nor any distribution of the securities referred to in this Information Circular will, under any circumstances, create an implication that there has been no change in the information set forth herein since the date as of which such information is given in this Information Circular.

Information contained in this Information Circular is given as of March 29, 2018, unless otherwise noted.

**REFERENCES TO CURRENCY**

Unless otherwise stated, all references in this Information Circular to monetary amounts are expressed in Canadian dollars. All references to "\$" are to Canadian dollars and all references to "US\$" are to United States dollars.

**PROXY MATTERS**

**SOLICITATION OF PROXIES**

**This solicitation of your proxy (your vote) is made by or on behalf of Management.** Solicitation of proxies for the Meeting will be primarily by mail, subject to the use of the Notice-and-Access Provisions under National

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Notes:

- (1) "**Person**" means and includes individuals, corporations, partnerships, general partnerships, joint stock companies, limited liability corporations, joint ventures, associations, companies, trusts, banks, trust companies, pension funds, business trusts or other organizations, whether or not legal entities, and governments, agencies and political subdivisions thereof.

Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("NI 54-101") and National Instrument 51-102 – *Continuous Disclosure Obligations* ("NI 51-102" and together with NI 54-101, "**Notice-and-Access Provisions**") in relation to the delivery of the Information Circular, and may be supplemented by telephone, facsimile, e-mail or oral communication by the Directors, officers, employees or agents of Holloway and its subsidiaries, at no additional compensation. All costs associated with the solicitation of proxies by Holloway and its subsidiaries will be borne by Holloway and its subsidiaries. No director of the Company has informed Management in writing or otherwise that he intends to oppose any action intended to be taken by Management at the Meeting.

#### **COMMON SHARES AND PRINCIPAL HOLDERS THEREOF**

At the close of business on March 29, 2018, there were 18,279,966 Common Shares outstanding, representing 100% of the issued and outstanding voting securities. Each holder of a Common Share is entitled to one vote, for each Common Share held, on all matters to come before the Meeting.

To the knowledge of the Directors and Executive Officers, no person beneficially owns, directly or indirectly, or exercises control or direction over securities carrying more than 10% of the votes attached to the issued and outstanding Common Shares, except as set forth below.

<b>Name</b>	<b>Number of Common Shares<sup>(1)</sup></b>	<b>Percentage of Issued and Outstanding Common Shares</b>
Clarke Inc. <sup>(2)</sup>	7,952,715	43.5%
Letko, Brosseau & Associates Inc. <sup>(3)</sup>	3,153,735	17.2%

Notes:

- (1) For additional information, refer to the most recent Alternative Monthly Reports filed by the listed entities pursuant to Part 4 of National Instrument 62-103 – *The Early Warning System and Related Take-Over Bid and Insider Reporting Issues*, which reports can be found under Holloway’s profile on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") at [www.sedar.com](http://www.sedar.com), and/or any subsequent filings by the named principal holders on the *System for Electronic Disclosure by Insiders* ("**SEDI**") website at [www.sedi.ca](http://www.sedi.ca).
- (2) Based on a SEDI filing made January 2, 2018, Clarke Inc. owns or controls 7,952,715 Common Shares, representing approximately 43.5% of the issued and outstanding Common Shares.
- (3) Holdings confirmed with Letko, Brosseau & Associates Inc. on March 21, 2018.

#### **Registered Shareholders**

Each registered Shareholder is entitled to one vote for each Common Share registered in his or her name as of the record date. The Directors have set March 27, 2018 as the record date with respect of the Meeting (the "**Record Date**"). If a Shareholder sells some or all of the Common Shares that he or she owns after the Record Date, the person who purchased the Common Shares will become a Shareholder, but is not eligible to vote at the Meeting.

#### **Non-Registered Beneficial Shareholders**

**You may be a non-registered beneficial Shareholder (as opposed to a registered Shareholder) if your Common Shares are held on your behalf, or for your account, by an intermediary (such as a securities broker, financial institution, trustee, custodian or other nominee who holds Common Shares on behalf of the Shareholder or in the name of a clearing agency in which the intermediary is a participant) (each, an "Intermediary").**

There are two kinds of non-registered or "beneficial" owners – those who object to their name being known to the Company ("**Objecting Beneficial Owners**") and those who do not object ("**Non-Objecting Beneficial Owners**"). If you are a Non-Objecting Beneficial Owner, the Company will obtain your name and you will be treated as if you are a registered holder. You will receive proxy related materials including a Form of Proxy from the Company's transfer agent, AST Trust Company (Canada) ("**AST**").

If you are an Objecting Beneficial Owner, there are two ways that you can vote the Common Shares held by your nominee. Unless you have previously informed your nominee that you do not wish to receive material relating to the

Meeting, you will receive from your nominee either a request for voting instructions pursuant to Form 54-101F7 – *Request for Voting Instructions Made by Intermediary* of NI 54-101 or a Form of Proxy for the number of Common Shares that you hold. In order to have your Common Shares voted, please follow the voting instructions provided by your nominee. If you wish to vote in person at the Meeting, please insert your own name in the space provided on the request for voting instructions or the Form of Proxy to appoint yourself as proxy holder and return the proxy in the envelope provided. Do not otherwise complete the form, as your vote will be taken at the Meeting. The Company does not intend to pay for the delivery of the voting instruction form and proxy-related materials by Intermediaries to Objecting Beneficial Owners. Accordingly, Objecting Beneficial Owners will not receive these materials unless the cost of delivery is assumed by each of their respective Intermediaries.

In accordance with the requirements of NI 54-101, the Company has elected to distribute copies of the Notice of Meeting, the Information Circular, the Company's annual financial statements for the year ended December 31, 2017 and related management's discussion and analysis (collectively, the "**Meeting Materials**") directly to Shareholders utilizing the Notice-and-Access provisions (as discussed below).

## **NOTICE AND ACCESS**

"**Notice-and-Access Provisions**" means provisions concerning the delivery of proxy-related materials to shareholders found in section 9.1.1 of NI 51-102, in the case of registered Shareholders, and in section 2.7 of NI 54-101, in the case of non-registered beneficial Shareholders, which would allow an issuer to deliver an information circular forming part of proxy-related materials to Shareholders via certain specified electronic means provided that the conditions of NI 51-102 and NI 54-101 are met.

The Notice-and-Access Provisions are a mechanism which allows reporting issuers other than investment funds to choose to deliver proxy-related materials to registered holders and beneficial owners of securities by posting such materials on a non-SEDAR website (usually the reporting issuer's website and sometimes the transfer agent's website) rather than delivering such materials by mail. The Notice-and-Access Provisions can be used to deliver materials for both special and general meetings. Reporting issuers may still choose to continue to deliver such materials by mail, and beneficial owners will be entitled to request delivery of a paper copy of the Information Circular at the reporting issuer's expense.

The use of the Notice-and-Access Provisions reduces paper waste and mailing costs to the Company. In order for the Company to utilize the Notice-and-Access Provisions to deliver proxy-related materials by posting the Information Circular (and if applicable, other materials) electronically on a website that is not SEDAR, the Company must send a notice-and-access notification (the "**Notification**") to Shareholders, including non-registered beneficial Shareholders, indicating that the proxy-related materials have been posted and explaining how a Shareholder can access them or obtain a paper copy of those materials from the Company. This Information Circular has been posted in full on the website of the Company's transfer agent at [www.meetingdocuments.com/ASTca/hlc](http://www.meetingdocuments.com/ASTca/hlc), on the website of the Company at [www.hlcorp.ca](http://www.hlcorp.ca), and under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

In order to use Notice-and-Access Provisions, a reporting issuer must set the record date for notice of the meeting to be on a date that is at least 40 days prior to the meeting in order to ensure there is sufficient time for the materials to be posted on the applicable website and other materials to be delivered to Shareholders. The Notification, which requires the Company to provide basic information about the meeting and the matters to be voted on, explains how a Shareholder can obtain a paper copy of the Information Circular and any related financial statements and MD&A, and explain the Notice-and-Access Provisions process.

The Notification has been delivered to Shareholders by the Company, along with the applicable voting document (a form of proxy in the case of registered shareholders and Non-Objecting Beneficial Owners, or a voting instruction form in the case of Objecting Beneficial Owners).

The Company will not rely upon the use of "stratification".

Any registered or non-registered Shareholder of the Company who wishes to receive a paper copy of the Meeting Materials should contact the Company's transfer agent, AST by telephone at: 1-888-433-6443 or by e-mail at: [fulfilment@astfinancial.com](mailto:fulfilment@astfinancial.com). In order to ensure that a paper copy of the Meeting Materials can be delivered to a

requesting Shareholder in time for such Shareholder to review the Meeting Materials and return a Form of Proxy or voting instruction form prior to the deadline to receive proxies, it is strongly suggested that a Shareholder ensure their request is received in advance of 2:00 p.m. Eastern Daylight Time on April 25, 2018. Meeting Materials will be sent to Shareholders at no cost to them within three days of their request, if such requests are made before the deadline.

All registered and non-registered Shareholders may contact AST by telephone at: 1-888-433-6443 or by e-mail at: [fulfilment@astfinancial.com](mailto:fulfilment@astfinancial.com) in order to obtain additional information regarding the Notice-and-Access Provisions.

#### **VOTING IN PERSON**

If you attend the Meeting in Toronto on May 11, 2018, and are a registered Shareholder or a Non-Objecting Beneficial Owner, you may cast one vote for each of your Common Shares on any and all resolutions and matters put before the Meeting. This includes the election of Directors to the Board, the re-appointment of auditors, the adoption of an ordinary resolution (the "**Stock Option Plan Resolution**") to approve the unallocated options under the Stock Option Plan of the Company and any other business that may arise at the Meeting. If you do not wish to vote for any matter proposed at the Meeting you may withhold your vote from or vote your Common Shares against, as applicable, any resolution at the Meeting, depending on the specific resolution.

If you attend the Meeting in person and are an Objecting Beneficial Owner, you will not be entitled to vote at the Meeting unless you contact your Intermediary well in advance of the Meeting and carefully follow its instructions and procedures.

#### **VOTING BY PROXY FOR REGISTERED SHAREHOLDERS AND NON-OBJECTING BENEFICIAL OWNERS**

The following instructions are for registered Shareholders and Non-Objecting Beneficial Owners only. **If you are an Objecting Beneficial Owner, please follow your Intermediary's instructions on how to vote your Common Shares.**

If you are unable to attend the Meeting, or if you do not wish to personally cast your votes, you may still make your votes count by authorizing another person who will be at the Meeting to vote on your behalf. You may either tell that person how you want to vote, or let him or her choose for you. This is called voting by proxy.

#### ***What Is a Proxy?***

A proxy is a document that you may sign in order to authorize another person to cast your votes for you at the Meeting. The Form of Proxy enclosed with this Information Circular is a form of proxy that you may use to authorize another person to vote on your behalf at the Meeting. You may use this Form of Proxy to assign your votes to the Chair of the Meeting (or his alternate) or to any other person of your choice. You may also use any other legal form of proxy.

#### ***Appointing a Proxyholder***

Together with this Information Circular, Shareholders will receive a Form of Proxy. If you are unable to attend the Meeting, or if you do not wish to personally cast your votes, you may still vote by authorizing another person in attendance at the Meeting to vote on your behalf as your proxyholder. **If you return the attached Form of Proxy to AST and have left the line for the proxyholder's name blank, then the Chair of the Meeting (or his alternate), whose names are already pre-printed on the form, will automatically become your proxyholder. You may appoint someone other than the Chair of the Meeting (or his alternate) to represent you at the Meeting as your proxyholder by filling in that person's name in the blank space located near the top of the enclosed Form of Proxy and crossing out the name of the Chair of the Meeting (and his alternate). Please note that your designated proxyholder is not required to be a Shareholder.**

#### ***Depositing Your Proxy***

**To be valid, registered Shareholders and Non-Objecting Beneficial Owners must complete the Form of Proxy, correctly signed (exactly as the Shareholder's name appears on the Form of Proxy) and submit the Form of Proxy to Holloway's transfer agent, AST by 2:00 p.m. Eastern Daylight Time on May 9, 2018 or at least 48**

hours (excluding Saturdays, Sundays and holidays) before the time set for any reconvened meeting at which the proxy is to be used, and may do so (i) by mail in the enclosed postage prepaid envelope to AST Trust Company (Canada), Proxy Department, P.O. Box 721, Agincourt, Ontario, M1S 0A1; (ii) by hand to AST Trust Company (Canada), attention: Proxy Department, 1 Toronto Street, Suite 1200, Toronto, Ontario; (iii) by internet by going to [www.ASTvotemyproxy.com](http://www.ASTvotemyproxy.com) and entering the 13-digit control number found on the Form of Proxy and following the instructions; (iv) by facsimile to 1-416-368-2502 or 1-866-781-3111; (v) by telephone at 1-888-489-5760; or (vi) by scanning and emailing to: [proxyvote@astfinancial.com](mailto:proxyvote@astfinancial.com). Your proxyholder may then vote on your behalf at the Meeting.

The document appointing a proxy must be in writing and completed and signed by a Shareholder or his or her attorney authorized in writing or, if the Shareholder is a corporation, by a duly authorized officer or attorney thereof. Persons signing as officers, attorneys, executors, administrators, trustees, etc., should so indicate and may be asked to provide satisfactory evidence of such authority. If the Common Shares are registered in more than one name, all the registered Shareholders must sign the Form of Proxy.

### ***Revoking Your Proxy***

A Shareholder who has given a proxy may revoke the proxy: (i) by completing and signing a Form of Proxy bearing a later date and depositing it with AST as set forth above under the heading "Depositing Your Proxy"; (ii) by depositing an instrument in writing executed by the Shareholder (or by his or her attorney authorized in writing) clearly indicating an intention to revoke a previously given proxy at the registered office of Holloway at 6009 Quinpool Road, 10<sup>th</sup> Floor, Halifax, Nova Scotia, B3K 5J7, Attention: Chief Financial Officer, not less than 48 hours (excluding Saturdays, Sundays and holidays) prior to the Meeting or any adjournment(s) or postponement(s) thereof; or (iii) in any other manner permitted by law.

The revocation must be received by Holloway by 2:00 p.m. Eastern Daylight Time on May 9, 2018 (or at least 48 hours prior to any reconvened meeting in the event of an adjournment of the Meeting), or by the Chair of the Meeting prior to the commencement of the Meeting (or at the reconvened Meeting in the event of an adjournment of the Meeting), or in any other way permitted by law.

If you revoke your proxy and do not replace it with another Form of Proxy that is deposited with AST on or before the deadline, 2:00 p.m. Eastern Daylight Time on May 9, 2018, you may still vote your own Common Shares in person at the Meeting provided you are a registered Shareholder whose name appeared on the Shareholders' register of Holloway as at March 27, 2018.

### **VOTING OF PROXIES**

The persons named in the accompanying Form of Proxy will vote the Common Shares in respect of which they are appointed, on any ballot that may be called for, in accordance with the instructions of the Shareholder as indicated on the Form of Proxy. **If you have not specified how to vote on a particular matter, your proxyholder is entitled to vote as he or she sees fit. If your Form of Proxy does not specify how to vote on any particular matter, and if you have authorized the Chair of the Meeting (or his alternate) to act as your proxyholder (by leaving the line for the proxyholder's name blank on the Form of Proxy), your Common Shares will be voted at the Meeting as follows:**

- (a) **FOR** the election of the five nominees designated in this Information Circular to the Board, all such nominees being current Directors of Holloway;
- (b) **FOR** the re-appointment of PricewaterhouseCoopers LLP as auditors of Holloway and to authorize the Audit Committee of the Board to fix the remuneration to be paid to the auditors; and
- (c) **FOR** the Stock Option Plan Resolution.

The persons appointed under the accompanying Form of Proxy are conferred with discretionary authority with respect to amendments or variations of matters identified in the Form of Proxy and Notice of Meeting and with respect to other matters which may properly come before the Meeting. In the event that amendments or variations to matters

identified in the Notice of Meeting are properly brought before the Meeting, it is the intention of the persons designated in the enclosed Form of Proxy to vote in accordance with their best judgment on such matter or business. As at the date of this Information Circular, the Directors know of no such amendments, variations or other matters that are to come before the Meeting.

## **QUORUM**

A quorum is required for the Meeting. A quorum for the transaction of business at the Meeting shall be a majority of the Shareholders entitled to vote at the Meeting, whether present in person or represented by proxy. If a quorum is not present within 30 minutes after the time fixed for the holding of the Meeting, the Meeting will stand adjourned to a day not less than seven days later and to a place and time as chosen by the Chair of the Meeting, and if at such adjourned meeting a quorum is not present, the Shareholders present either in person or by proxy shall be deemed to constitute a quorum.

### ***How A Vote Is Passed***

All of the matters scheduled to be voted upon at the Meeting are ordinary resolutions. Ordinary resolutions are passed by a simple majority, meaning that if more than half of the votes that are cast are in favour, then the resolution passes.

## **DESCRIPTION OF HOLLOWAY**

Holloway Lodging Corporation was incorporated on April 8, 2010 pursuant to the provisions of the *Business Corporations Act (Ontario)*. Holloway is the successor entity to the Holloway Lodging Real Estate Investment Trust (the “**REIT**”) following the completion of the conversion from an income trust structure to a corporation effective December 31, 2012. The registered and head office of Holloway is located at 6009 Quinpool Road, 10<sup>th</sup> Floor, Halifax, Nova Scotia, B3K 5J7.

## **BUSINESS OF THE MEETING**

### **PRESENTATION OF FINANCIAL STATEMENTS**

The audited financial statements of Holloway for the year ended December 31, 2017 and the auditor’s report thereon incorporated by reference in this Information Circular will be placed before the Shareholders at the Meeting. No formal action will be taken at the Meeting to approve the financial statements, the requirements of Holloway’s by-laws having been satisfied by their advance circulation to Shareholders. If any Shareholder has questions regarding the financial statements, such questions may be brought forward at the Meeting.

### **ELECTION OF DIRECTORS**

#### ***Election of Directors of Holloway***

**Unless such authority is withheld, the persons named in the accompanying Form of Proxy intend to vote FOR the election of the five nominees to the Board whose names are set forth below.**

Holloway is required to have a minimum of one Director and a maximum of twenty Directors. Directors are appointed at each annual meeting of Shareholders to hold office for a term expiring at the close of the next annual meeting or until his or her successor is duly elected or appointed, unless: (i) his or her office is earlier vacated; (ii) he or she ceases to be qualified to act as a Director of Holloway; or (iii) he or she is removed as a Director of Holloway.

The Board approved the five nominees set out in the tables below for election to the Board at the Meeting. If elected, each such nominee will hold office until the next meeting of Shareholders, or until his successor is duly elected or appointed.

The tables provide the names and jurisdiction of residence, and certain other information, of the five nominees. All of the nominees set out below are current Directors whose term of office expires at the close of the Meeting or when his

successor is duly elected or appointed. Each of the nominees has held the same principal occupation for the five preceding years, except as otherwise disclosed.

The Directors do not contemplate that any of the nominees will be unable to serve as a Director, but should the circumstance arise for any reason prior to the Meeting, and if you authorize the Chair of the Meeting (or his alternate) to act as your proxyholder at the Meeting, the Chair of the Meeting (or his alternate) reserves the discretionary right to vote for other nominees, unless directed to withhold your Common Shares from voting.

<b>RICHARD GRIMALDI</b> Westport, Connecticut, USA Director since April 15, 2010		<u>Principal Occupation:</u> Self-employed Real Estate Developer	
<b>Director</b>		<u>Biography:</u> Mr. Grimaldi is currently a self-employed real estate developer with over 35 years of experience in the real estate industry. Mr. Grimaldi holds an MBA from the University of Miami and held various positions in the Commercial Real Estate Division of GE Capital including Managing Director of Institutional Accounts, North America, Managing Director, Canadian Real Estate and Managing Director, Large Transaction Group. He has extensive experience in financing public and private companies, structuring debt, equity and joint venture new business opportunities. Mr. Grimaldi also serves on the Board of Mainstreet Equity Corp. which owns and operates over 10,000 apartments.	
<b>Securities Owned</b> <sup>(1)(2)</sup>			
Common Shares		6,660 (0.04%)	
<b>Board and Committees</b>			
Board Compensation and Governance Committee (Chair)			
<b>Other Public Board Directorships</b>		<b>Other Board Committee Memberships of Public Entities</b>	
Mainstreet Equity Corp.	2005 – Present	Audit Committee, Human Resources Committee	

<b>DUSTIN HAW</b> Toronto, Ontario, Canada Director since May 14, 2013		<u>Principal Occupation:</u> President and CEO, TerraVest Industries Inc.	
<b>Director</b>		<u>Biography:</u> Dr. Haw is President and CEO, TerraVest Industries Inc., a publicly traded diversified manufacturing company. Prior to joining TerraVest Industries Inc., Dr. Haw was Vice President of Investments of Clarke Inc., a publicly traded investment company and prior to that Dr. Haw was an investment analyst at Geosam Capital Inc., a private investment company specializing in small and mid-capitalization companies with a focus on real estate and industrial investments. Dr. Haw also serves on the board of TerraVest Industries Inc. Dr. Haw holds a PhD in Physics from the University of Western Ontario.	
<b>Securities Owned</b> <sup>(1)(2)</sup>			
Common Shares		35,700 (0.20%)	
<b>Board and Committees</b>			
Board Audit Committee			
<b>Other Public Board Directorships</b>		<b>Other Board Committee Memberships of Public Entities</b>	
Terravest Capital Inc.	2014 – Present	–	

<b>MICHAEL RAPPS</b> Toronto, Ontario, Canada Director since December 24, 2010		<u>Principal Occupation:</u> President and CEO, Clarke Inc.	
<b>Director and Chairman</b>		<u>Biography:</u> Mr. Rapps is the President and CEO of Clarke Inc., a publicly traded investment company. Prior to becoming President of Clarke Inc., Mr. Rapps was Managing Director of Geosam Capital Inc., a private investment company focused on investing in small and mid-capitalization companies with a focus on real estate and industrial investments. Prior to joining Geosam, Mr. Rapps practised law at Davies Ward Phillips & Vineberg LLP. Mr. Rapps holds a BCL and an LLB from McGill University. Mr. Rapps also serves on the board of Clarke Inc.	
<b>Securities Owned</b> <sup>(1)(2)</sup>			
Common Shares		25,000 (0.14%)	
<b>Board and Committees</b>			
Board (Chairman) Compensation and Governance Committee			
<b>Other Public Board Directorships</b>		<b>Other Board Committee Memberships of Public Entities</b>	

Clarke Inc.	2012 – Present	–
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<p><b>MARC STANILOFF</b> Calgary, Alberta, Canada Director since June 12, 2007</p> <p><b>Director</b></p>	<p><u>Principal Occupation:</u> Chairman and CEO, Superior Lodging Corp.</p> <p><u>Biography:</u> Mr. Staniloff is President and Chief Executive Officer, and the founding Partner, of Superior Lodging Corp., a privately owned, vertically integrated hotel company, focused on the development, investment, and management of nationally franchised, limited service hotels in Canada. Mr. Staniloff is a director of Superior Lodging Development TL Corporation (the entity that owns the development rights for Travelodge® and Thriftlodge® for Canada), a director of Superior Development S8 Corporation (the entity that owns the development rights for Super 8® in Canada) and a director of a corporation that owns the development rights for Microtel® Inn and Suites for Canada. Mr. Staniloff received his Bachelor of Commerce degree from the University of Calgary.</p>
<b>Securities Owned<sup>(1)(2)</sup></b>	
Common Shares	26,666 (0.15%)
<b>Board and Committees</b>	
Board Compensation and Governance Committee	
<b>Other Public Board Directorships</b>	<b>Other Board Committee Memberships of Public Entities</b>
–	–

<p><b>DAVID WOOD</b> Bedford, Nova Scotia, Canada Director since June 6, 2011</p> <p><b>Director</b></p>	<p><u>Principal Occupation:</u> Vice President and Chief Financial Officer of the Municipal Group of Companies.</p> <p><u>Biography:</u> Mr. Wood is the Vice President and Chief Financial Officer of the Municipal Group of Companies. Prior to joining the Municipal Group in 1988, Mr. Wood worked for the accounting firm of Doane Raymond (Grant Thornton) in their New Glasgow and Halifax offices. Mr. Wood received a Bachelor of Business Administration degree with a major in accounting from Acadia University in 1984. Mr. Wood received his Certified Management Accounting designation in 1994.</p>
<b>Securities Owned<sup>(1)(2)</sup></b>	
Common Shares	12,867(0.07%)
<b>Board and Committees</b>	
Board Audit Committee	
<b>Other Public Board Directorships</b>	<b>Other Board Committee Memberships of Public Entities</b>
–	–

Notes:

- (1) As a percentage of the 18,279,966 issued and outstanding Common Shares as at March 29, 2018. Securities Owned by a nominee refers to the number of voting securities of Holloway beneficially owned, directly or indirectly, or over which control or direction is exercised, as at March 29, 2018, by such nominee, and is based upon information furnished to Holloway by the respective nominee.
- (2) Does not include any options to purchase Common Shares.

**APPOINTMENT OF AUDITORS**

The Board recommends to Shareholders that: (a) PricewaterhouseCoopers LLP be reappointed as the independent auditor of Holloway, holding office until the next meeting of Shareholders; and (b) the Audit Committee of the Board be authorized to fix the remuneration of the auditors.

**Unless such authority is withheld, the persons named in the accompanying Form of Proxy intend to vote FOR the appointment of PricewaterhouseCoopers LLP as auditors of Holloway and to vote to authorize the Audit Committee of the Board to fix the auditors' remuneration.** For information on the Audit Committee of the Board, please consult Holloway's Annual Information Form dated March 7, 2018 (the "AIF") which is filed on SEDAR and which is incorporated by reference in this Information Circular.

## APPROVAL OF THE STOCK OPTION PLAN RESOLUTION

At the Meeting, Shareholders will be asked to consider and, if thought advisable, pass an ordinary resolution (the “**Stock Option Plan Resolution**”) approving the unallocated options under the Stock Option Plan, as described below.

The Stock Option Plan became effective on May 9, 2015, following the approval of the Stock Option Plan by the Shareholders at the annual meeting of the Company that was held on the same day. The Stock Option Plan is an "evergreen" option plan, under which Holloway can issue options to acquire up to a maximum of 10% of its issued and outstanding Common Shares from time to time (including all issuances under any other security based compensation arrangements). Because the Stock Option Plan provides that a fixed percentage of the issued and outstanding Common Shares from time to time will be reserved for issuance thereunder rather than a fixed maximum number of Common Shares, the TSX requires a majority of the Board and Shareholders to approve, every three years, the unallocated options under the Stock Option Plan.

As at March 29, 2018, Holloway had allocated options to purchase 810,000 Common Shares (representing approximately 4.4% of Holloway's issued and outstanding Common Shares as of that date), leaving 1,017,996 unallocated options available for future grants (with the 1,017,996 Common Shares associated with these unallocated options representing approximately 5.6% of Holloway's outstanding Common Shares as at March 29, 2018).

Previously allocated options under the Stock Option Plan will continue in effect, irrespective of whether the Stock Option Plan Resolution approving the unallocated options is passed. However, if approval of the unallocated options is not obtained at the Meeting, unallocated options as at the time of the Meeting will be cancelled and will no longer be available for grant, and outstanding options that are otherwise cancelled or expired will no longer be available for re-grant.

A summary of certain key provisions of the Stock Option Plan (qualified entirely by reference to the full text of the plan) is set forth below under “Statement of Executive Compensation – Securities Authorized For Issuance Under Equity Compensation Plans – Equity Compensation Plans Approved by Securityholders– Stock Option Plan”.

Shareholders will be asked at the Meeting to consider and, if deemed appropriate, to adopt the Stock Option Plan Resolution. If Shareholder approval is obtained at the Meeting, Holloway will not be required to seek further approval of the unallocated options under the Stock Option Plan until May 11, 2021. The Board has determined that the approval of the unallocated options under the Stock Option Plan is in the best interests of the Company and its Shareholders and it unanimously recommends that the Shareholders vote in favour of approving the Stock Option Plan Resolution.

A simple majority of the votes cast at the Meeting, whether by proxy or in person, will constitute approval of this matter. **Unless such authority is withheld, the persons named in the Form of Proxy intend to vote FOR the Stock Option Plan Resolution.**

The full text of the Stock Option Plan Resolution is set out in Appendix "A" to this Information Circular.

## OTHER BUSINESS OF THE MEETING

Management does not know of any matters to be brought before the Meeting other than those set forth in the Notice of Meeting accompanying this Information Circular.

## STATEMENT OF EXECUTIVE COMPENSATION

### COMPENSATION DISCUSSION AND ANALYSIS

#### *Composition of the Compensation and Governance Committee*

Richard Grimaldi (Chair), Marc Staniloff and Michael Rapps served as members of the Compensation and Governance Committee of Holloway during the financial year ended December 31, 2017. All members are independent.

The Compensation and Governance Committee is responsible for Holloway's compensation policies and practices. The Compensation and Governance Committee has the responsibility to review and make recommendations to the Directors concerning the compensation of the Directors and executive officers of Holloway (the "**Executive Officers**"), within the constraints of the agreements described under "Compensation Discussion and Analysis – Employment Contracts and Termination and Change of Control Benefits." The Committee also has the responsibility to make recommendations concerning annual bonuses and grants to eligible persons under any of Holloway's equity compensation plans. The Compensation and Governance Committee also reviews and approves the hiring of Executive Officers.

The members of the Compensation and Governance Committee have experience in leadership roles, knowledge of the real estate industry and tenure as directors of public companies. This background provides the Compensation and Governance Committee with the collective experience, skills and qualities to effectively support the Board in carrying out its mandate.

### ***Overview of Executive Compensation***

Under applicable securities legislation, Holloway is required to disclose certain financial and other information relating to the compensation of its Chief Operating Officer ("**COO**"), Chief Financial Officer ("**CFO**") and three most highly compensated other executive officers or the three most highly compensated individuals acting in a similar capacity whose total compensation exceeded \$150,000 (other than the Chief Operating Officer and Chief Financial Officer) (the "**Named Executive Officers**"). A summary of salary and other annual compensation earned by the Chief Operating Officer, Chief Financial Officer and Named Executive Officers for the years ended December 31, 2017, 2016 and 2015 is set out in "Summary Compensation Table". There are no other Executive Officers, or individuals acting in similar capacity, of Holloway that would otherwise qualify for inclusion in the discussions below.

### ***Principles and Objectives of Executive Compensation***

Holloway believes in linking an individual's compensation to his or her performance and contribution as well as to the performance of Holloway as a whole. The primary components of Holloway's executive compensation are base salary, annual bonus (short-term incentive) and the grant of options to purchase Common Shares (long-term incentive). The Compensation and Governance Committee believes that the approach of incorporating both short-term and long-term incentives successfully links compensation to both the short-term and long-term interests of Holloway's Shareholders. Holloway does not have a pension plan or other form of retirement compensation. The various components of Holloway's executive compensation program are designed to fulfill the following objectives:

- (a) attract, retain, and motivate executives who are crucial to the long term success of Holloway;
- (b) reward performance based on Holloway's success; and
- (c) align the interests of the Executive Officers with the interests of Holloway's Shareholders.

### ***Base Salary***

The base salary for each Executive Officer was established with reference to the Executive Officer's existing salary, market rates and expected duties associated with the Executive Officer's position. The Executive Officers have employment contracts which specify their respective base salary.

Felix Seiler, Holloway's Chief Operating Officer, had a base salary in 2017 of \$200,000. Jane Rafuse, Holloway's Chief Financial Officer, had a base salary in 2017 of \$193,000. Jordan Vaeth, Holloway's General Counsel and Corporate Secretary, had a base salary in 2017 of \$175,000.

### ***Annual Cash Bonus***

The Compensation and Governance Committee is responsible for assessing and making recommendations to the Board for any cash bonuses to Executive Officers. In 2017, the amount of bonus for Mr. Seiler was based on pre-set goals that were tied to Holloway's net operating income from hotel operations and shareholder return. In 2017, the amount of bonus was based on pre-set goals that were tied to Holloway's net operating income from hotel operations and

shareholder return as well as a discretionary component. In 2017, the amount of bonus for Mr. Vaeth was discretionary.

Mr. Seiler received a cash bonus of \$90,000 for 2017 (paid in 2018). Ms. Rafuse received a cash bonus of \$102,500 for 2017 (\$35,000 paid in 2017 and \$67,500 paid in 2018). Mr. Vaeth received a cash bonus of \$45,000 for 2017 (\$15,000 paid in 2017 and \$30,000 paid in 2018).

### ***Equity Compensation***

The Compensation and Governance Committee is responsible for assessing and making recommendations to the Board on the grant of options to eligible persons under Holloway's Stock Option Plan, including Directors, Executive Officers and other employees of Holloway. In addition, the Committee is responsible for setting, reviewing and amending the Stock Option Plan and determining the total number of options to be set aside for issuance. The Stock Option Plan became effective on May 9, 2015. The Stock Option Plan is designed to reward, motivate and retain Executive Officers over the long-term and to align the interests of the Executive Officers with the performance of Holloway and the interests of Shareholders. The Compensation and Governance Committee, in consultation with the Executive Officers, discuss and determine the timing and number of options to be granted to eligible persons. The options previously granted to eligible persons are taken into account when considering new Option grants. The Stock Option Plan is described in greater detail under the heading "Statement of Executive Compensation – Securities Authorized for Issuance Under Equity Compensation Plans".

On March 18, 2016, the Compensation and Governance Committee awarded 200,000 options to purchase Common Shares to Directors and employees of Holloway. Such options vest as follows: (a) 1/3 of the options shall vest on the first anniversary of the date of grant; (b) an additional 1/3 of the options shall vest on the second anniversary of the date of grant; and (c) the final 1/3 of the options shall vest on the third anniversary of the date of grant and are exercisable for a period of seven years at an exercise price of \$4.80.

On March 29, 2017, 285,000 options to purchase Common Shares were awarded to Directors and employees of Holloway. Such options vest as follows: (a) 1/3 of the options shall vest on the first anniversary of the date of grant; (b) an additional 1/3 of the options shall vest on the second anniversary of the date of grant; and (c) the final 1/3 of the options shall vest on the third anniversary of the date of grant and are exercisable for a period of seven years at an exercise price of \$5.36. There are 1,017,996 options remaining available for future issuance under the Stock Option Plan.

### ***Benefit Plan and Perks***

Holloway's benefit plan is basic in nature, requires participants to contribute to the premium costs and includes certain co-pay requirements. The benefit plan is designed to assist the participants with regular health related expenses and support them in the case of a catastrophic life event. Holloway does not currently have standard perks, but may provide such perks as considered appropriate by the Compensation and Governance Committee.

### ***Compensation Process and Policies***

The Compensation and Governance Committee relies on the knowledge and experience of its members to set appropriate levels of compensation for its officers and employees. The Compensation and Governance Committee reviews the elements of compensation in the context of the total compensation package (including base salary, benefits, bonuses and prior and current option awards) to ensure that Holloway is maintaining a level of compensation that is both commensurate with the work being performed and sufficient to retain key personnel. Members of the Compensation and Governance Committee have a general understanding of market rates for persons carrying out executive functions based on their involvement with other businesses, including those in the same and similar industries.

In reviewing the comparative data, the Compensation and Governance Committee does not engage in benchmarking for the purpose of establishing compensation levels relative to any predetermined level and does not compare its compensation to a specific peer group of companies. In the Compensation and Governance Committee's view, external data provides insight into external competitiveness, but it is not an appropriate basis for establishing compensation

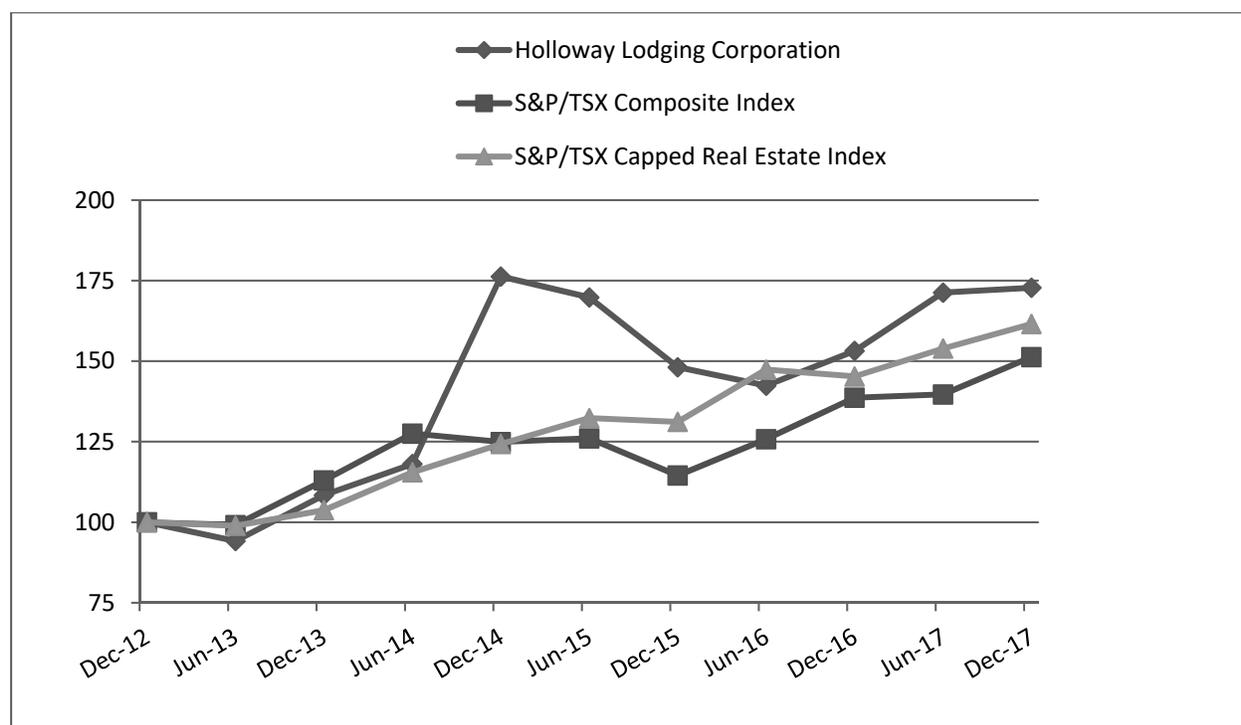
levels. External data is considered, along with an assessment of individual performance and experience, Holloway's performance and business strategy and general economic conditions.

The Compensation and Governance Committee has considered whether Holloway's compensation packages encourage unacceptable risk taking and concluded that they did not encourage risk that is reasonably likely to have a material adverse effect on Holloway.

There is no formal policy in relation to whether a director or Executive Officer is permitted to purchase financial instruments designed to hedge or offset a decrease in the market value of Common Shares of the Company.

### Performance Graph

The following graph compares the total cumulative Common Shareholder return for \$100 invested in Common Shares on December 31, 2012 with the total return of the S&P/TSX Composite Index and S&P/TSX Capped Real Estate Index, assuming the reinvestment of dividends in additional Common Shares.



December 31 <sup>(1)(2)</sup>	December 2012	December 2013	December 2014	December 2015	December 2016	December 2017
HOLLOWAY LODGING CORPORATION	100.00	108.42	176.27	148.12	153.19	172.79
S&P/TSX COMPOSITE INDEX	100.00	112.99	124.92	114.53	138.67	151.28
S&P/TSX CAPPED REAL ESTATE INDEX	100.00	103.74	124.30	131.16	145.26	161.56

Note:

- (1) The cumulative return of the Common Shares is based on the closing prices of the Common Shares on the TSX on December 31, 2012, 2013, 2014, 2015, 2016 and 2017 or, if there was no trading on such date, the closing price on the last trading day prior to such date.
- (2) Named Executive Officers compensation has not historically been based primarily on the performance of Common Shares and, as such, NEO compensation may not be directly correlated to the performance of the Common Shares.

## Summary Compensation Table

SUMMARY COMPENSATION TABLE									
Name and Principal Position of Named Executive Officer	Year	Salary (\$)	Share-Based Awards (\$)	Option-Based Awards (\$)	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation (\$) <sup>(4)</sup>	Total Compensation (\$)
					Annual Incentive Plans <sup>(3)</sup>	Long-Term Incentive Plans			
JANE RAFUSE Chief Financial Officer	2017	193,000	–	55,800 <sup>(1)</sup>	102,500	–	–	–	351,300
	2016	183,750	–	43,000 <sup>(2)</sup>	40,000	–	–	–	266,750
	2015	183,750	–	–	30,000	–	–	–	213,750
FELIX SEILER Chief Operating Officer	2017	200,000	–	55,800 <sup>(1)</sup>	90,000	–	–	–	345,800
	2016	189,000	–	43,000 <sup>(2)</sup>	60,000	–	–	–	292,000
	2015	189,000	–	–	40,000	–	–	–	229,000
JORDAN VAETH General Counsel & Corporate Secretary	2017	175,000	–	27,900 <sup>(1)</sup>	45,000	–	–	–	247,900
	2016	160,000	–	43,000 <sup>(2)</sup>	32,000	–	–	–	235,000
	2015	160,000	–	–	30,000	–	–	–	190,000

Notes:

- (1) Options were granted on March 29, 2017 to Felix Seiler, Jane Rafuse, and Jordan Vaeth. The option values were measured at the grant date fair value using the Black-Scholes option pricing model with the following assumptions: risk free interest rate of 1.30%, expected dividend yield of 2.60%, expected volatility of 44.30%, expected option life of 7 years, and estimated fair value per Option of \$1.86.
- (2) Options were granted on March 18, 2016 to Felix Seiler, Jane Rafuse, and Jordan Vaeth. The option values were measured at the grant date fair value using the Black-Scholes option pricing model with the following assumptions: risk free interest rate of 1.07%, expected dividend yield of 2.94%, expected volatility of 48.7%, expected option life of 7 years, and estimated fair value per Option of \$1.72.
- (3) In 2016 and 2015, annual incentives were paid in the subsequent year on the basis of performance in the current year. In 2017, annual incentives were paid in both 2017 and 2018.
- (4) Calculated value of perquisites and other benefits did not exceed \$50,000 or 10% of the total of the annual salary and bonus and is not reported herein.

## Options

The following table provides a summary of the value of options that vested during the fiscal year ended December 31, 2017, held by each of the Named Executive Officers.

Named Executive Officer	Option-Based Awards – Value Vested During the Year (\$) <sup>(1)</sup>
JANE RAFUSE	4,417
FELIX SEILER	4,417
JORDAN VAETH	4,417

Note:

- (1) This is the aggregate dollar value that would have been realized if the options vested during the year had been exercised on their respective vesting dates.

The following table provides a summary of unexercised options held by each of the Named Executive Officers as at December 31, 2017.

Named Executive Officer	Option-Based Awards			
	Number of securities underlying unexercised options	Option exercise price	Option expiration date	Value of unexercised in-the-money options (\$)
JANE RAFUSE	50,000	\$6.37	November 18, 2019	Nil
	25,000	\$4.80	March 18, 2023	22,500
	30,000	\$5.36	March 29, 2024	10,200
FELIX SEILER	50,000	\$6.37	November 18, 2019	Nil
	25,000	\$4.80	March 18, 2023	22,500
	30,000	\$5.36	March 29, 2024	10,200
JORDAN VAETH	15,000	\$6.37	December 16, 2019	Nil
	25,000	\$4.80	March 18, 2023	22,500
	15,000	\$5.36	March 29, 2024	5,100

The following table provides a summary of options exercised by each of the Named Executive Officers in 2017.

Named Executive Officer	Number of options	Option exercise price	Option grant date	Gain (\$)
JANE RAFUSE	20,000	\$3.70	August 22, 2012	40,600
FELIX SEILER	30,000	\$3.70	August 22, 2012	60,900

#### SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

##### *Equity Compensation Plan Information*

The following table sets forth aggregated information as at December 31, 2017 with respect to compensation plans of Holloway under which equity securities of Holloway are authorized for issuance.

Plan Category	Plan	Number of Common Shares to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Options Remaining Available for Future Issuance under Equity Compensation Plans
EQUITY COMPENSATION PLANS APPROVED BY SECURITYHOLDERS	STOCK OPTION PLAN	810,000	\$5.62	1,027,096
	DIRECTOR COMPENSATION PLAN	—	—	—
TOTAL		810,000	\$5.62	1,027,096

The 810,000 outstanding options represented approximately 4.41% of the outstanding Common Shares as at December 31, 2017. The 1,027,096 options available for grant represented approximately 5.59% of the outstanding Common Shares as at December 31, 2017.

## ***Equity Compensation Plans Approved by Securityholders***

### Stock Option Plan

The Stock Option Plan became effective on May 9, 2015, and replaced the previous stock option plan that was approved on June 6, 2011 and effective on the conversion of the Company from a REIT to a corporation on December 31, 2012 pursuant to a plan of arrangement. The Stock Option Plan is available to: (i) a director, officer or employee of Holloway, a Subsidiary<sup>1</sup> or a service provider; (ii) a corporation controlled by an individual identified in (i) and/or their spouse; (iii) a family trust of an individual identified in (i); or (iv) a service provider to Holloway or a Subsidiary.

The total number of Common Shares reserved for issuance pursuant to the Stock Option Plan and all other security based compensation arrangements shall collectively not exceed 10% of the issued and outstanding common shares. The aggregate number of common shares issued to insiders, within a one year period, under the Stock Option Plan and all other security based compensation arrangements shall not exceed 10% of the issued and outstanding common shares. The aggregate number of Common Shares issuable to insiders, at any time, under the Stock Option Plan together with any other compensation or incentive arrangement shall not exceed 10% of the issued and outstanding Common Shares. The aggregate number of Common Shares issuable to any one participant under the Stock Option Plan and other security-based compensation arrangements shall not exceed 5% of the issued and outstanding Common Shares.

The Stock Option Plan is administered by the Board or, in the Board's discretion, a committee of the Board as may be designated by the Board from time to time and consisting of not less than three (3) members (the "**Plan Administrators**"). As at December 31, 2017, the Stock Option Plan was administered by the Compensation and Governance Committee.

The options may be granted at a price that is not less than the volume weighted average trading price of the Common Shares on the Toronto Stock Exchange ("TSX") for the five trading days immediately preceding the day on which an option is granted (or, if the Common Shares are not then listed and posted for trading on the TSX, on such stock exchange on which the Common Shares are listed and posted for trading and, in the event that the Common Shares are not listed and posted for trading on any stock exchange, the options may be granted at a price determined by the Plan Administrators in their sole discretion).

Subject to earlier termination upon certain events (i.e., the termination of a participant's employment or consulting relationship with Holloway), each option and all rights thereunder granted pursuant to the Stock Option Plan shall expire on the date determined by the Plan Administrators provided that in no circumstances shall any options be exercisable after seven years from the date on which they are granted.

The options shall be subject to such terms of vesting as the Board may determine, in accordance with the Stock Option Plan. Unless otherwise provided in an option agreement, all options shall vest and become exercisable as follows: (a) 1/3 of the options shall vest on the first anniversary of the date of grant; (b) an additional 1/3 of the options shall vest on the second anniversary of the date of grant; and (c) the final 1/3 of the options shall vest on the third anniversary of the date of grant.

In the event that a participant under the Stock Option Plan is terminated, subject to the terms of any particular option grant agreement, on the participant's termination date, any options granted to such participant which have not vested prior to the termination date will terminate and become null and void. In addition, where a participant is not terminated for cause or as a result of a participant's death or disability, such participant will have the right to exercise part or all of his or her outstanding options at any time up to and including (but not after) the earlier of: (i) the date which is 30 days following the termination date and (ii) the expiry date of the vested options. If a participant is terminated for cause (absent allegations of gross negligence, fraud, breach of fiduciary duty or other acts of willful malfeasance against the Company), such participant will have the right to exercise part of all or his or her outstanding options at any time up to and including (but not after) the earlier of: (i) the date which is 10 days following the termination date and

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<sup>1</sup> "Subsidiary" has the meaning ascribed thereto in National Instrument 45-106 – *Prospectus and Registration Exemptions*, as it exists on the Date hereof.

(ii) the expiry date of the vested options. If a participant is terminated for cause based on allegations of gross negligence, fraud, breach of fiduciary duty or other acts of willful malfeasance against the Company, all options whether or not vested, shall immediately and automatically terminate for no consideration and be rendered null and void. Where a participant's termination occurs as a result of his or her death or disability, the participant's legal representative will have the right to exercise all or part of his or her outstanding vested options at any time up to and including (but not after) the earlier of: (i) the date which is one year following the termination date and (ii) the expiry date of the vested options.

A participant may elect to surrender any vested option, which is otherwise exercisable and, in consideration for such surrender for cancellation, to receive a cash payment, or the in-the-money amount of Common Shares, in an amount equal to the positive difference between the market price of the Common Shares issuable on the exercise of such option or portion thereof, as of the date such option is surrendered, and the aggregate exercise price of such option or portion thereof. The exercise of options in either of these manners is at the discretion of the Board.

Holloway may provide financing to all participants for all or any portion of the purchase price of the Common Shares for which an option is being exercised upon such terms and conditions as the Board may determine including the rate of interest, if any, the term of the financing, the repayment terms and, the security, if any, to be taken which may include a pledge of the Common Shares for which the financing of the purchase price has been given.

All benefits, rights and options accruing to any participant in accordance with the terms and conditions of the Stock Option Plan may not be assigned. During the lifetime of a participant any benefits, rights and options may only be exercised by the participant or a trust established for the benefit of a director, officer or employee of Holloway, a Subsidiary or a service provider.

Under the terms of the Stock Option Plan, the Plan Administrators have the discretion to establish vesting provisions or make amendments which it deems necessary, without having to obtain Shareholder approval. However, the Plan Administrators may not, without Shareholder approval: (i) amend the amendment provisions of the Stock Option Plan, (ii) increase the percentage of Common Shares issuable under the Stock Option Plan, (iii) reduce the exercise price or extend the term of options, (iv) change the insider participation limits of the Stock Option Plan, or (v) change the transferability provisions of any option, other than for normal estate planning purposes.

#### Annual Burn Rate

The following table presents the annual burn rate of the option as at December 31 of the years indicated below, as calculated in accordance with Section 613(p) of the TSX Company Manual.

	2017	2016	2015
ANNUAL BURN RATE – CALCULATED AS THE NUMBER OF COMMON SHARE OPTIONS GRANTED DURING THE YEAR DIVIDED BY THE WEIGHTED AVERAGE QUANTITY OF COMMON SHARES OUTSTANDING FOR THE YEAR	1.52% (285,000)	1.06% (200,000)	-

#### Director Compensation Plan

In 2011, Holloway adopted and Shareholders approved a Director compensation plan (the "**Director Compensation Plan**"). No Options to purchase Common Shares are issuable pursuant to the Director Compensation Plan. The Director Compensation Plan permits non-management Directors to be paid the full amount of their annual retainer fee by the issuance of Common Shares instead of receipt of cash fees. No shares have been issued under the Director Compensation Plan since 2012.

#### ***Employment Contracts and Termination and Change of Control Benefits***

With the exception of the agreements and compensatory arrangements described below, there are no agreements or arrangements between Holloway or its subsidiaries with a Named Executive Officer which provide for payments at,

following or in connection with any termination, resignation, retirement, change in control of Holloway or change in the Named Executive Officer's responsibilities.

Holloway entered into employment agreements with Felix Seiler as Chief Operating Officer on February 27, 2012 and with Jane Rafuse as Chief Financial Officer on February 28, 2012. The agreements provide, *inter alia*, that, in the event of termination other than for cause or within 12 months of certain prescribed change of control events, the executive will be paid a lump sum amount equal to two times the following: (i) the executive's base salary then in effect, and (ii) the average of the annual bonus or incentive awards paid or payable to the executive in the two fiscal years completed immediately prior to the date of termination (excluding any extraordinary bonuses or option or long term incentive plan awards or entitlements).

The table below contains the estimated payments in accordance with the above paragraph as of December 31, 2017.

Named Executive Officer	Triggering Event	Cash Portion (\$)	Value of Equity & Share Based Awards <sup>(1)</sup> (\$)	Total (\$)
JANE RAFUSE	Change of Control Termination Event	528,500	32,700	561,200
		528,500	–	528,500
FELIX SEILER	Change of Control Termination Event	555,000	32,700	587,700
		555,000	–	555,000

Note:

- (1) On a change of control, all unvested securities under options vest immediately. At December 31, 2017, the Common Shares were trading at \$5.70 and the exercise prices of the in-the-money unvested options were \$4.80 and \$5.36.

## REMUNERATION OF DIRECTORS

### *Director Compensation Table*

In 2017, each non-management Director was entitled to receive an annual retainer of \$35,000 for their services as Directors. The Chair of the Audit Committee was entitled to receive an additional annual retainer of \$5,000 for serving in such capacity. The Chairman of the Board was entitled to receive an additional annual retainer of \$15,000 for serving in such capacity. The Directors were also entitled to receive \$1,250 for attendance at the quarterly Board meeting and \$750 for conference calls. Directors are also reimbursed for reasonable travel and other out-of-pocket expenses properly incurred by them in attending meetings.

For fiscal 2017, Holloway paid or accrued \$223,000 related to Director retainer and meeting attendance fees. Additionally, Holloway paid or accrued \$6,800 related to the reimbursement of reasonable travel and other out-of-pocket expenses incurred by Directors in attending meetings.

Pursuant to the Director Compensation Plan, non-management Directors may be paid the full amount of their annual fees by the issuance of Common Shares. In 2017, all fees were paid in cash. The following table shows the fee amounts, before withholdings, earned by individual non-management Directors in respect of membership on the Board and its committees in the fiscal year ended December 31, 2017.

Name	Fees Earned (\$)	Share-Based Awards (\$)	Option-Based Awards <sup>(2)</sup> (\$)	Non-Equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total (\$)
MICHAEL RAPPS <sup>(1)</sup>	55,750	–	55,800	–	–	150,000 <sup>(1)</sup>	261,550
DUSTIN HAW	40,750	–	55,800	–	–	–	96,550
RICHARD GRIMALDI	40,000	–	55,800	–	–	–	95,800
MARC STANILOFF	40,750	–	55,800	–	–	–	96,550
DAVID WOOD	45,750	–	55,800	–	–	–	101,550

Notes:

- (1) A company in which Michael Rapps holds an interest received \$150,000 for services rendered in 2017.
- (2) Options were granted to the Directors on March 29, 2017. Option values were measured at the grant date fair value using the Black-Scholes option pricing model with the following assumptions: risk free interest rate of 1.30%, expected dividend yield of 2.60%, expected volatility of 44.30%, expected option life of 7 years, and estimated fair value per Option of \$1.86.

### Options

The following table provides a summary of the value of options that vested during the fiscal year ended December 31, 2017, held by each of the Directors.

Director	Option-Based Awards – Value Vested During the Year (\$) <sup>(1)</sup>
MICHAEL RAPPS	4,417
DUSTIN HAW	4,417
RICHARD GRIMALDI	4,417
MARC STANILOFF	4,417
DAVID WOOD	4,417

Note:

- (1) This is the aggregate dollar value that would have been realized if the options vested during the year had been exercised on their respective vesting dates.

The following table provides a summary of unexercised options held by each of the Directors as at December 31, 2017.

Director	Option-Based Awards			
	Number of securities underlying unexercised options	Option exercise price	Option expiration date	Value of unexercised in-the-money options (\$)
MICHAEL RAPPS	60,000	\$6.37	November 18, 2019	Nil
	25,000	\$4.80	March 18, 2023	22,500
	30,000	\$5.36	March 29, 2024	10,200
DUSTIN HAW	30,000	\$6.37	November 18, 2019	Nil
	25,000	\$4.80	March 18, 2023	22,500
	30,000	\$5.36	March 29, 2024	10,200
RICHARD GRIMALDI	30,000	\$6.37	November 18, 2019	Nil
	25,000	\$4.80	March 18, 2023	22,500
	30,000	\$5.36	March 29, 2024	10,200
MARC STANILOFF	60,000	\$6.37	November 18, 2019	Nil
	25,000	\$4.80	March 18, 2023	22,500
	30,000	\$5.36	March 29, 2024	10,200
DAVID WOOD	30,000	\$6.37	November 18, 2019	Nil
	25,000	\$4.80	March 18, 2023	22,500
	30,000	\$5.36	March 29, 2024	10,200

The following table provides a summary of options exercised by each of the Directors in 2017.

Director	Number of options	Option exercise price	Option grant date	Gain (\$)
MICHAEL RAPPS	40,000	\$3.70	August 22, 2012	81,200
RICHARD GRIMALDI	50,000	\$3.70	August 22, 2012	101,500
MARC STANILOFF	50,000	\$3.70	August 22, 2012	101,500
DAVID WOOD	50,000	\$3.70	August 22, 2012	101,500

## **INDEBTEDNESS OF DIRECTORS AND OTHERS**

None of the Directors or Executive Officers or any associates of such persons were indebted to Holloway or any of its subsidiaries at any time during the financial year ended December 31, 2017.

## **INSURANCE AND INDEMNIFICATION**

Holloway maintains, at its expense, a policy of insurance for the Directors and officers of Holloway and its subsidiaries. The initial aggregate limit of liability applicable to the insured Directors and officers under the policy is \$10 million per loss and in the aggregate. A corporate indemnification deductible of \$250,000 applies. The constating documents of Holloway and its subsidiaries (where applicable) provides for indemnification of the respective Directors and officers from and against liability and costs in respect of any action or suit against them in connection with the execution of their duties of office, subject to certain limitations.

### ***Cease Trade Orders, Bankruptcies, Penalties or Sanctions***

To the knowledge of the Directors, no proposed nominee for election as a Director of Holloway is, or within the 10 years prior to the date hereof, has been, a director or executive officer of any company that, while that person was acting in that capacity: (i) was the subject of a cease trade order or similar order, or an order that denied the relevant company access to any exemption under Canadian securities legislation, for a period of more than 30 consecutive days; (ii) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or (iii) or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

To the knowledge of the Directors, no proposed nominee for election as a Director of Holloway has, during the 10 years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold assets of the proposed nominee for election as a Director of Holloway.

To the knowledge of the Directors, no proposed nominee for election as a Director of Holloway has been subject to: (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable Shareholder in deciding whether to vote for a proposed director. No proposed nominee for election as a Director of Holloway is to be elected under any arrangement or understanding between the proposed nominees and any other person or company.

## **INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON**

No person who has been a Director or Executive Officer at any time since the beginning of Holloway's last completed financial year or any associate or affiliate of any such director, executive officer or proposed nominee has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, except as disclosed in this Information Circular.

## **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

As at December 31, 2017, to the knowledge of the Directors, no "informed person", proposed nominee for Director of Holloway or any associate or affiliate of any informed person or proposed nominee for Director of Holloway had any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any material transaction with Holloway since the commencement of Holloway's 2017 fiscal year, or in any proposed transaction which has materially affected or would materially affect Holloway or any of its subsidiaries. "Informed Person" means: (a) a Director or Executive Officer of Holloway; (b) a Director or Executive Officer of a person or company that is

itself an informed person or subsidiary of Holloway; (c) any person or company who beneficially owns, or controls or directs, directly or indirectly, voting securities of a reporting issuer or who exercises control or direction over voting securities of Holloway or a combination of both carrying more than 10% of the voting rights attached to all voting securities; and (d) Holloway, if it has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

## **GOVERNANCE DISCLOSURE**

Holloway is administered by its Board. The Board recognizes that effective corporate governance practices are fundamental to the long-term success of Holloway. The Board is therefore committed to fulfilling its mandate to supervise the management of the business and affairs of Holloway with the highest standards of ethical conduct and in the best interests of the Shareholders. The Board has, in light of governance requirements and best practice standards in Canada, implemented governance systems and materials, taking into account the governance practices set out in National Policy 58-201 – *Corporate Governance Guidelines* and National Instrument 58-101 – *Disclosure of Corporate Governance Practices*, which require disclosure of certain information relating to Holloway’s corporate governance practices. Holloway is also subject to rules of the Canadian Securities Administrators regarding both audit committees and the certification of certain annual and interim filings.

The mandate of the Board is attached to this Information Circular as Appendix B. Additional disclosure in accordance with the corporate governance disclosure requirement set out in National Instrument 58-101 *Disclosure of Corporate Governance Practices* is set out in Appendix C to this Information Circular.

## **BOARD COMPOSITION AND INDEPENDENCE**

The Board views an individual as independent if he or she has no direct or indirect relationship with Holloway which could, in the view of the Board, be reasonably expected to interfere with the exercise of that individual’s independent judgement.

The Board is currently comprised of five individuals, all are considered by the Board to be independent within the meaning given to the term in National Instrument 52-110 – *Audit Committees*, as each has "no direct or indirect material relationship" with Holloway.

The Board elects from its ranks a chairperson to preside at all meetings of the Board. Mr. Rapps was appointed as Chairman of the Board on June 6, 2011.

## **COMMITTEES OF THE BOARD**

The Board has two standing committees: the Audit Committee and the Compensation and Governance Committee. The roles of these committees are outlined below. The Audit Committee is comprised of independent Directors.

### ***Audit Committee***

The Audit Committee is comprised of three (3) members, all of whom are "independent" and "financially literate" as required by the Multilateral Instrument 52-110 – *Audit Committees* (the "**Audit Committee Rule**"). During 2017, the members of the Audit Committee were Dr. Haw, Mr. Wood and Mr. Grimaldi.

The Audit Committee assists the Board in fulfilling its responsibilities of oversight and supervision of the accounting and financial reporting practices and procedures, the adequacy of internal accounting controls and the quality and integrity of financial statements. In addition to reviewing Holloway’s annual and quarterly financial statements (as well as other material continuous disclosure documents), the Audit Committee is also responsible for (i) directing the auditor’s examination into specific areas of the business, (ii) recommending to the Board the selection and compensation of external auditors to be elected by Shareholders, (iii) the development of policies respecting the provision of non-audit services, (iv) reviewing any significant transactions outside Holloway’s ordinary course of business and any pending litigation involving Holloway, (v) assessing Holloway’s financial and accounting personnel, (vi) assessing Holloway’s accounting policies and internal controls, (vii) reviewing Holloway’s risk management

procedures, (viii) reviewing public disclosure related to financial reporting issues, and (ix) investigating, at the request of the Board, such other matters as the Board considers appropriate in the circumstances.

The Audit Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities and has direct access to the external auditors (to whom such auditors report) as well as anyone in Holloway and its subsidiaries. The Audit Committee has the ability to retain, at Holloway's expense, special accounting, legal or other consultants or experts it deems necessary in the performance of its duties.

Additional information regarding Holloway's Audit Committee has been included in Holloway's AIF in accordance with the Audit Committee Rule.

### ***Compensation and Governance Committee***

The Compensation and Governance Committee is comprised of three (3) members, all of whom are independent. During 2017, the members of the Compensation and Governance Committee were Mr. Grimaldi (Chair), Mr. Rapps and Mr. Staniloff. The Compensation and Governance Committee, among other things, reviews, oversees and evaluates the governance and compensation policies of Holloway.

The Compensation and Governance Committee is responsible for: (i) assessing the effectiveness of the Board, each of its committees and individual Directors, (ii) overseeing the recruitment and selection of candidates as Directors of Holloway, (iii) organizing an orientation and education program for new Directors, (iv) considering and approving proposals by the Directors to engage outside advisers on behalf of the Board as a whole or on behalf of the independent Directors of Holloway, (v) reviewing and making recommendations to the Board concerning any change in the number of Directors, (vi) considering questions of management succession, (vii) administering any share option or purchase plan of Holloway (and any other compensation incentive programs), (viii) assessing the performance of Holloway's management, (ix) reviewing and approving the compensation paid by Holloway, if any, to advisers and consultants, (x) reviewing and making any recommendations to the Board concerning the level and nature of the compensation payable to officers of Holloway, (xi) reviewing and making any recommendations to the Board concerning the level and nature of the compensation payable to the Directors of Holloway, (xii) reviewing public disclosure related to compensation issues and corporate governance issues, and (xiii) investigating, at the request of the Board, such other matters as the Board considers appropriate in the circumstances.

### ***Representation of Women on the Board and in Executive Positions***

The Company has not adopted, and does not intend to adopt, a written policy specifically relating to the identification and nomination of women directors nor does the Board consider the level of representation of women when making executive officer appointments or setting targets regarding women on the Board or in executive positions.

The emphasis in filling Board and senior management vacancies has been finding the best qualified candidates given the needs and circumstances of the Board and the Company. As at the date hereof, no women are members of the five member Board and one woman holds an executive position, our Chief Financial Officer Jane Rafuse, representing approximately 33% of such senior positions.

## **ADDITIONAL INFORMATION**

Additional information relating to Holloway is available on the SEDAR website at [www.sedar.com](http://www.sedar.com).

Further information relating to the Audit Committee and Holloway's external auditors is available in Holloway's AIF in the section entitled "Management of Holloway – Committees of the Board of Directors" which is available on the SEDAR website at [www.sedar.com](http://www.sedar.com).

Financial information for Holloway is provided in Holloway's comparative financial statements and management's discussion and analysis for the most recently completed financial year. This information and additional information relating to Holloway can be found on the SEDAR website and on Holloway's website at [www.hlcorp.ca](http://www.hlcorp.ca). Copies of Holloway's financial statements, management's discussion and analysis and any other public document may be

obtained upon request by contacting Holloway's Chief Financial Officer. Holloway may require the payment of a reasonable charge if the request is made by a person who is not a Shareholder of Holloway.

**DIRECTORS' APPROVAL**

The contents and the sending of this Information Circular have been approved by the Board.

**DATED** at Halifax, Nova Scotia this 29<sup>th</sup> day of March, 2018.

By Order of the Board

(Signed): "*Michael Rapps*"

*MICHAEL RAPPS*  
Chairman

## APPENDIX A

### STOCK OPTION PLAN RESOLUTION

**BE IT RESOLVED** as an ordinary resolution of the shareholders of Holloway Lodging Corporation (the "Company") that:

1. all unallocated options under the Stock Option Plan are hereby approved and authorized and the Company shall have the ability to grant options under the Stock Option Plan until May 10, 2021; and
2. any director or officer of the Company is hereby authorized for and in the name of and on behalf of the Company to execute or cause to be executed, and to deliver or cause to be delivered, all such documents and instruments, and to do or cause to be done all such other acts and things, as in the opinion of such director or officer may be necessary or desirable to carry out the intent of these resolutions.

## APPENDIX B

### HOLLOWAY LODGING CORPORATION

#### BOARD OF DIRECTORS MANDATE

The Board of Directors (the "**Board**") of Holloway Lodging Corporation ("**Holloway**") has determined that it would be appropriate for the Board to adopt a written mandate describing its responsibilities and duties in relation to oversight of the business and affairs of Holloway and Committees of the Board.

The Board has adopted this Mandate which reflects Holloway's commitment to high standards of corporate governance, to assist the Board in supervising the management of the business and affairs of Holloway.

#### A. PROCEDURAL MATTERS

1. Members of the Board shall serve at the pleasure of the Shareholders of Holloway and the Shareholders of Holloway shall elect the Board annually.
2. The Board may appoint such Committees from time to time as it considers appropriate to act on behalf of the Board or make recommendations to the Board with respect to matters to be decided by the Board. If such Committees are intended as permanent Committees, they shall have a mandate document that defines their responsibilities in relation to the Board and the extent of delegated powers to such Committees. The functions of the Board, subject to applicable laws and the By-Laws of Holloway, may be delegated to its Committees except where provided otherwise in the By-Laws.
3. At least a majority in number of the Directors shall be independent as defined by Holloway's By-Laws and in accordance with applicable regulatory and stock exchange requirements.
4. The Board shall choose a Director annually to act as Chair of the Board who shall qualify as an independent Director. The Board shall provide the Chair with a written mandate.
5. Members of the Board shall be entitled to receive such remuneration for acting as members of the Board as may be determined from time to time by the Board on the recommendations of the Compensation and Governance Committee of the Board.
6. The Board shall, from time to time, evaluate its effectiveness and the effectiveness of its Committees with respect to its (and their) contribution to Holloway and the Board's representation of Holloway's Shareholders. The Board shall meet in camera on a regular basis for such purpose and related purposes.
7. The Board shall consider from time to time its resources including the adequacy of the information provided to it with respect to oversight of the management of Holloway and shall confer with management with respect to its findings.
8. The functions referred to in sections B1(a), (c), (d), (e), (g), (j), B2(a), B4(a) and (b) shall not be delegated.

#### B. FUNCTIONS

1. General Responsibilities
  - (a) The Board shall exercise general stewardship responsibilities with respect to Holloway. Without limitation, stewardship shall include the specific responsibilities and duties outlined in this Mandate.

- (b) The Board shall oversee the management of Holloway. In doing so, the Board shall establish a productive working relationship with the Chief Operating Officer and the Chief Financial Officer and other officers of Holloway to create a culture of integrity.
- (c) The officers of Holloway shall be responsible for general day to day management of Holloway and for making recommendations to the Board with respect to long term strategic, financial, organizational and related objectives.
- (d) The roles and responsibilities of the Board are intended to primarily focus on the formulation of long term strategic, financial and organizational goals for Holloway and on the monitoring of management performance. Without limitation, the Board is responsible for:
- participating in the development of and approving a strategic plan for Holloway, on at least an annual basis;
  - identifying the principal risks of Holloway's business and ensuring the implementation of appropriate systems to manage these risks;
  - succession planning (including appointing, training and monitoring senior management);
  - ensuring the integrity and adequacy of Holloway's internal controls and management information systems;
  - defining the roles and responsibilities of management;
  - reviewing and approving the business and investment objectives to be set by management of Holloway;
  - assessing the performance of management;
  - reviewing Holloway's debt management strategy;
  - ensuring effective and adequate communication with the Shareholders and other stakeholders as well as the public at large; and
  - establishing committees of the Board, where required or prudent, and, where appropriate, defining their mandate.
- (e) The Board shall review and approve Holloway's financial objectives, short and long-term business plans for Holloway's businesses and monitor performance in accordance with such plans. The Board shall also approve, without limitation to its obligations and duties as set out in the By-Laws:
- significant capital allocations and expenditures;
  - all material transactions;
  - all matters that would be expected to have a major impact on Shareholders, creditors or employees;
  - on advice from the Compensation and Governance Committee, appointment of any person who is to hold an officer position of Holloway;

- Holloway’s strategic plan; and
  - any proposed changes in compensation to be paid to members of the Board on the recommendation of the Compensation and Governance Committee.
- (f) The Board has established a Compensation and Governance Committee which establishes the Board’s approach to corporate governance, including developing a set of principles and guidelines applicable to Holloway.
- (g) The Board shall annually consider what additional skills and competencies would be helpful to the Board. The identification of specific candidates for consideration shall be the responsibility of the Compensation and Governance Committee which shall be guided by the findings of the Board in relation to competencies and skills.
- (h) The Board will oversee ethical behaviour and compliance with laws and regulations (which includes overseeing the choice of critical accounting principles on recommendations from the Audit Committee of the Board).
- (i) With respect to significant risks and opportunities affecting Holloway, the Board may impose such limits on the business activity of Holloway as may be in the interests of Holloway and its Shareholders.
- (j) The Board will adopt prudent financial standards with respect to the affairs of Holloway and periodically will approve target levels of debt in relation to Holloway’s consolidated capitalization and other similar financial prudence standards.
- (k) The Board shall perform such other functions as are prescribed by law, as are assigned to the Board in Holloway’s By-Laws and as it may from time to time determine in accordance with the plenary powers of the Board.
- (l) The Board shall receive the following reports on a regular basis:
- periodic reports from its Committees following Committee meetings and, annually, a report from each Committee as to the work undertaken by the Committee and the Committee’s recommendations, if any, for change with respect to its responsibilities and effectiveness; and
  - regular reports from the Chief Operating Officer and Chief Financial Officer on Holloway’s operating and financial performance.

2. Relationship with Committees

- (a) The Board shall annually assess the mandates of its Committees.
- (b) The Board shall annually appoint a member of each Committee to act as Chair of the Committee on the advice of the Chair of the Board and the Compensation and Governance Committee.

3. Senior Management

- (a) The Board will review with the Compensation and Governance Committee and approve the objectives set for the Chief Operating Officer and performance in relation to such objectives.

- (b) The Board appoints and supervises the Chief Operating Officer and other members of senior management, approves their compensation (on the advice of the Compensation and Governance Committee) and, as permitted by the By-Laws and applicable law, delegates to senior management responsibility for the day-to-day operations of Holloway.
  - (c) The Board will, to the extent feasible, satisfy itself as to the integrity of the Chief Operating Officer and the other members of senior management and that the Chief Operating Officer and other members of senior management create a culture of integrity throughout Holloway.
4. Financial Statements and Significant Disclosure Documents
- (a) The Board will review on an ongoing basis the financial and underlying operational performance of Holloway.
  - (b) The Board will review and approve Holloway's annual information form as well as its annual report and related financial statements and annual management discussion and analysis disclosure. In doing so, the Board will consider the quality and usefulness of the information from the perspective of its Shareholders.
  - (c) The Board has responsibility for reviewing and approving for release quarterly financial statements and related disclosure.
  - (d) The Board will periodically review the means by which Shareholders can communicate with Holloway including the opportunity to do so at the annual meeting, communications interfaces through Holloway's website and the adequacy of resources available within Holloway to respond to Shareholders.

#### **C. RESOURCES, MEETINGS AND REPORTS**

1. The Board shall have adequate resources to discharge its responsibilities. The Chair shall be empowered to engage advisers as may be appropriate from time to time to advise the Chair or the Board with respect to duties and responsibilities.
2. The Board shall meet not less than four times per year.
3. The meetings of the Board shall ordinarily include the Chief Operating Officer (if not a Director) and the Secretary and shall periodically include other senior officers as may be appropriate and as may be desirable to enable the Board to become familiar with Holloway's management team.
4. The Secretary shall keep minutes of its meetings in which shall be recorded all actions taken by the Board. Such minutes shall be made available to Board members at their request and all such minutes shall be approved by the Board for entry in the records of Holloway.
5. Each Director is expected to be diligent in preparing for attending meetings of the Board and any Committee of which he is a member. Preparation for meetings includes advance review of the meeting materials. In addition, each Director is expected to attend each annual meeting of Shareholders. A Director who is unable to attend a Board or Committee meeting may participate by teleconference.
6. Members of the Board shall have the right, for the purposes of discharging their respective powers and responsibilities, to inspect any relevant records of Holloway and its subsidiaries.

7. Members of the Board, subject to approval of the Chair of the Compensation and Governance Committee, may retain separate counsel to deal with issues relating to their responsibilities as members of the Board.

**D. FEEDBACK**

The Board welcomes input and comments from Shareholders of Holloway. You may contact the Board at:

Chairman of the Board of Directors  
Holloway Lodging Corporation  
6009 Quinpool Road, 10<sup>th</sup> Floor  
Halifax, Nova Scotia B3K 5J7

**APPENDIX C**

**HOLLOWAY LODGING CORPORATION  
CORPORATE GOVERNANCE COMPLIANCE TABLE**

The following table sets out the corporate governance practices of Holloway in accordance with NI 58-101 - *Disclosure of Corporate Governance Practices*. The information contained in this Appendix B is in addition to the information disclosed in the Information Circular in the section entitled "Governance Disclosure".

	<b>GOVERNANCE DISCLOSURE GUIDELINE UNDER NI 58-101</b>	<b>COMMENTS</b>								
1.	<b><u>Board of Directors</u></b>									
	(a) Disclose the identity of the Directors who are independent.	All directors are considered by the Board to be independent within the meaning given to the term in National Instrument 52-110 – <i>Audit Committees</i> , as each has "no direct or indirect material relationship" with Holloway.								
	(b) Disclose the identity of the Directors who are not independent, and describe the basis for that determination.	N/A.								
	(c) Disclose whether or not a majority of Directors are independent. If a majority of Directors are not independent, describe what the Board of Directors does to facilitate its exercise of independent judgment in carrying out its responsibilities.	The Board is composed of five (5) Directors, all of whom are independent.								
	(d) If a Director is presently a Director or director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the Director and the other issuer.	<p>Certain of the Directors currently hold directorships on the boards of other reporting issuers. The following table indicates the name of each publicly traded entities' board of directors (other than Holloway's) on which the nominees for election to the Board at the Meeting sit:</p> <table border="0"> <thead> <tr> <th><u>Director</u></th> <th><u>Name(s) of the Corporation(s)</u></th> </tr> </thead> <tbody> <tr> <td>RICHARD GRIMALDI</td> <td>Mainstreet Equity Corp. – Director since January, 2005</td> </tr> <tr> <td>MICHAEL RAPPS</td> <td>Clarke Inc. – Director since May, 2012</td> </tr> <tr> <td>DUSTIN HAW</td> <td>TerraVest Industries Inc. – Director since June, 2014</td> </tr> </tbody> </table>	<u>Director</u>	<u>Name(s) of the Corporation(s)</u>	RICHARD GRIMALDI	Mainstreet Equity Corp. – Director since January, 2005	MICHAEL RAPPS	Clarke Inc. – Director since May, 2012	DUSTIN HAW	TerraVest Industries Inc. – Director since June, 2014
<u>Director</u>	<u>Name(s) of the Corporation(s)</u>									
RICHARD GRIMALDI	Mainstreet Equity Corp. – Director since January, 2005									
MICHAEL RAPPS	Clarke Inc. – Director since May, 2012									
DUSTIN HAW	TerraVest Industries Inc. – Director since June, 2014									
	(e) Disclose whether or not the independent Directors hold regularly scheduled meetings at which non-independent Directors and members of management are not in attendance. If the independent Directors hold such meetings, disclose the number of meetings held since the beginning of the issuer's most recently completed financial year. If the independent Directors do not hold such meetings, describe what the Board does to facilitate open and candid discussion among its independent Directors.	The independent Directors meet autonomously of management at the end of all regularly scheduled meetings of the Board of Directors. Four such meetings were held and attended by the independent Directors in fiscal 2017.								

	<b>GOVERNANCE DISCLOSURE GUIDELINE UNDER NI 58-101</b>	<b>COMMENTS</b>																																		
	(f) Disclose whether or not the chair of the Board is an independent Director. If the Board has a chair or a lead Director who is an independent Director, disclose the identity of the independent chair or lead Director, and describe his or her role and responsibilities. If the Board has neither a chair that is independent nor a lead Director that is independent, describe what the Board does to provide leadership for its independent Directors.	Michael Rapps, the Chairman of the Board, is an independent Director. The Chairman is responsible for overseeing the affairs of the Board, presiding as the Chair at Board meetings and Shareholder meetings and acting as a liaison between the Board and management.																																		
	(g) Disclose the attendance record of each Director for all Board meetings held since the beginning of the issuer's most recently completed financial year.	<p>The following tables set forth the record of attendance of the nominees for election to the Board at the Meeting (either in person or by phone) at meetings of the Board and its committees and the number of meetings of the Board and its committees held between January 1, 2017 and December 31, 2017.</p> <table border="0" data-bbox="716 835 1386 1045"> <thead> <tr> <th colspan="2" style="text-align: center;"><b>BOARD MEETINGS</b></th> </tr> <tr> <th style="text-align: center;"><u>Director</u></th> <th style="text-align: center;"><u>Meetings Attended/Meetings Held</u></th> </tr> </thead> <tbody> <tr> <td>RICHARD GRIMALDI</td> <td style="text-align: right;">4/5 (80%)</td> </tr> <tr> <td>DUSTIN HAW</td> <td style="text-align: right;">5/5 (100%)</td> </tr> <tr> <td>MICHAEL RAPPS</td> <td style="text-align: right;">5/5 (100%)</td> </tr> <tr> <td>MARC STANILOFF</td> <td style="text-align: right;">5/5 (100%)</td> </tr> <tr> <td>DAVID WOOD</td> <td style="text-align: right;">5/5 (100%)</td> </tr> </tbody> </table> <table border="0" data-bbox="716 1094 1386 1247"> <thead> <tr> <th colspan="2" style="text-align: center;"><b>AUDIT COMMITTEE MEETINGS</b></th> </tr> <tr> <th style="text-align: center;"><u>Director</u></th> <th style="text-align: center;"><u>Meetings Attended/Meetings Held</u></th> </tr> </thead> <tbody> <tr> <td>RICHARD GRIMALDI</td> <td style="text-align: right;">4/4 (100%)</td> </tr> <tr> <td>DUSTIN HAW</td> <td style="text-align: right;">4/4 (100%)</td> </tr> <tr> <td>DAVID WOOD</td> <td style="text-align: right;">4/4 (100%)</td> </tr> </tbody> </table> <table border="0" data-bbox="716 1295 1386 1505"> <thead> <tr> <th colspan="2" style="text-align: center;"><b>COMPENSATION AND GOVERNANCE COMMITTEE MEETINGS<sup>(1)</sup></b></th> </tr> <tr> <th style="text-align: center;"><u>Director</u></th> <th style="text-align: center;"><u>Meetings Attended/Meetings Held</u></th> </tr> </thead> <tbody> <tr> <td>RICHARD GRIMALDI</td> <td style="text-align: right;">0/0 (0%)</td> </tr> <tr> <td>MARC STANILOFF</td> <td style="text-align: right;">0/0 (0%)</td> </tr> <tr> <td>MICHAEL RAPPS</td> <td style="text-align: right;">0/0 (0%)</td> </tr> </tbody> </table> <p>Notes:</p> <p style="margin-left: 40px;">(1) Compensation and Governance matters were discussed at the Board meetings.</p>	<b>BOARD MEETINGS</b>		<u>Director</u>	<u>Meetings Attended/Meetings Held</u>	RICHARD GRIMALDI	4/5 (80%)	DUSTIN HAW	5/5 (100%)	MICHAEL RAPPS	5/5 (100%)	MARC STANILOFF	5/5 (100%)	DAVID WOOD	5/5 (100%)	<b>AUDIT COMMITTEE MEETINGS</b>		<u>Director</u>	<u>Meetings Attended/Meetings Held</u>	RICHARD GRIMALDI	4/4 (100%)	DUSTIN HAW	4/4 (100%)	DAVID WOOD	4/4 (100%)	<b>COMPENSATION AND GOVERNANCE COMMITTEE MEETINGS<sup>(1)</sup></b>		<u>Director</u>	<u>Meetings Attended/Meetings Held</u>	RICHARD GRIMALDI	0/0 (0%)	MARC STANILOFF	0/0 (0%)	MICHAEL RAPPS	0/0 (0%)
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2.	<b><u>Board Mandate</u></b>																																			
	Disclose the text of the Board's written mandate. If the Board does not have a written mandate, describe how the Board delineates its role and responsibilities.	The Board of Directors has adopted a formal mandate as attached to this Information Circular as Appendix B.																																		

	<b>GOVERNANCE DISCLOSURE GUIDELINE UNDER NI 58-101</b>	<b>COMMENTS</b>
3.	<b><u>Position Description</u></b>	
	(a) Disclose whether or not the Board has developed position descriptions for the chair and the chair of each Board committee. If the Board has not developed written position descriptions for the chair and/or the chairs of each Board committee, briefly describe how the Board delineates the role and responsibilities of each such position.	The Board has developed a written position description for the Chair of the Board. The position description for the Chair of each of the Audit Committee and Compensation and Governance Committee is included in the respective mandate of each Committee.
	(b) Disclose whether or not the Board and CEO have developed a written position description for the CEO. If the Board and CEO have not developed such a position description, briefly describe how the Board delineates the role and responsibilities of the CEO.	The Company does not currently have a CEO.
4.	<b><u>Orientation and Continuing Education</u></b>	
	(a) Briefly describe what measures the Board takes to orient new Directors regarding: (i) the role of the Board; and (ii) the nature and operations of the issuer's business.	The Compensation and Governance Committee is responsible for orienting new Directors on their role as Directors and the business of Holloway. The nature and operations of Holloway's business is discussed regularly at Board meetings.
	(b) Briefly describe what measures, if any, the Board takes to provide continuing education for its Directors. If the Board does not provide continuing education, describe how the Board ensures that its Directors maintain the skill and knowledge necessary to meet their obligations as Directors.	Senior management makes regular presentations to the Board to update the Directors with regards to the current business and industry developments. Directors are provided with any necessary reports and conference calls are held with the Directors as required to ensure that they are adequately informed.
5.	<b><u>Ethical Business Conduct</u></b>	
	(a) Disclose whether or not the Board has adopted a written code for the Directors, officers and employees. If the Board has adopted a written code: (i) disclose how a person or company may obtain a copy of the code; (ii) describe how the Board monitors compliance with its code, or if the Board does not monitor compliance, explain whether and how the Board satisfies itself regarding compliance with its code; and (iii) provide a cross reference to any material change report filed since the beginning of the issuer's most recently completed financial year that pertains to any conduct of a Director or executive officer that constitutes a departure from the code.	The Board has adopted a written Code of Conduct (the "Code"). All of the Directors, officers and employees of Holloway and its subsidiaries are subject to the Code, a copy of which may be provided upon request from the Chief Financial Officer of Holloway. Compliance with the Code is monitored by management, but any Director, officer or employee may report any Code violations directly to the Chair of the Audit Committee. The Code is reviewed and updated annually, if required, by the Board of Directors. There were no material change reports filed since the beginning of the financial year ended December 31, 2017 that pertain to any conduct of a Director or executive officer that constitutes a departure from the Code.

	<b>GOVERNANCE DISCLOSURE GUIDELINE UNDER NI 58-101</b>	<b>COMMENTS</b>
	(b) Describe any steps the Board takes to ensure Directors exercise independent judgment in considering transactions and agreements in respect of which a Director or executive officer has a material interest.	Each Director must disclose all actual or potential conflicts of interest and refrain from voting on all matters in which such Director has a conflict of interest. In addition, if a conflict arises, the Director must excuse himself or herself from any discussion or decision on any matter in which the Director is precluded from voting as a result of a conflict of interest.
	(c) Describe any other steps the Board takes to encourage and promote a culture of ethical business conduct.	In addition to the adoption and monitoring of the Code, the Directors have developed and circulated a written Whistleblowing Policy as a further means for reporting unethical or questionable acts.
6.	<b><u>Nomination of Directors</u></b>	
	(a) Describe the process by which the Board identifies new candidates for Board nomination.	The identification of specific candidates for consideration is the responsibility of the Compensation and Governance Committee. The Board annually considers what additional skills and competencies would be helpful to the Board. These findings are used as guidance for the Compensation and Governance Committee in relation to competencies and skills when identifying and selecting candidates.
	(b) Disclose whether or not the Board has a nominating committee composed entirely of independent Directors. If the Board does not have a nominating committee composed entirely of independent Directors, describe what steps the Board takes to encourage an objective nomination process.	The Board does not have a separate "nominating committee". The Board has a Compensation and Governance Committee which is comprised of three (3) independent Directors. The Compensation and Governance Committee is responsible for assessing and proposing individuals qualified to become new Directors and to submit recommendations to the Board for its consideration and decision, as well as to consider nominees, if any, recommended by either management or the Shareholders for election as Directors. The Board encourages an objective nomination process.
	(c) If the Board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.	The Board does not have a separate "nominating committee".
7.	<b><u>Compensation</u></b>	
	(a) Describe the process by which the Board determines the compensation for the issuer's Directors and officers.	The Board has a Compensation and Governance Committee, whose responsibilities include reviewing and making recommendations to the Board concerning the level and nature of the compensation payable to Directors and management of Holloway. The Board, acting on the recommendations of the Compensation and Governance Committee, reviews the adequacy and form of such compensation, as determined based on a review of the competitive marketplace, to ensure that they are respectively current and reflective of the roles and responsibilities of each group.
	(b) Disclose whether or not the Board has a compensation committee composed entirely of independent Directors. If the Board does not have	The Board has a Compensation and Governance Committee which is comprised of three (3) independent Directors. The Board discusses compensation matters at its meeting. The Board encourages an objective process for determining compensation.

	<b>GOVERNANCE DISCLOSURE GUIDELINE UNDER NI 58-101</b>	<b>COMMENTS</b>
	a compensation committee composed entirely of independent Directors, describe what steps the Board takes to ensure an objective process for determining such compensation.	
	(c) If the Board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.	The responsibilities of the Compensation and Governance Committee are to consider questions of management succession; administer any share option or purchase plan of Holloway and any other compensation incentive programs; assess the performance of management of Holloway; review and approve the compensation paid by Holloway to any officers, advisors, and consultants of Holloway; review and make any recommendations to the Board concerning the level and nature of compensation payable to Directors and officers of Holloway; perform an assessment of the effectiveness of the Board, its committees, and individual Directors; oversee the recruitment and selection of candidates as Directors; organize an orientation and education program for new Directors; consider and approve proposals by the Directors to engage outside advisors on behalf of the Board; and review and make recommendations to the Board concerning any change in the number of Directors.
8.	<b><u>Other Board Committees</u></b>	
	If the Board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.	The Board does not have any other standing committees.
9.	<b><u>Assessments</u></b>	
	Disclose whether or not the Board, its committees and individual Directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the Board satisfies itself that the Board, its committees, and its individual Directors are performing effectively.	The Compensation and Governance Committee regularly assesses the effectiveness of the Board, each of its committees and individual Directors. The Committee assesses the contribution of Directors, reviews Committee meeting minutes, evaluates materials presented to the Board by the Committees and evaluates the overall productivity of the Board.
10.	<b><u>Director Term Limits and Other Mechanisms of Board Renewal</u></b>	
	Disclose whether or not the issuer has adopted term limits for the directors on its board or other mechanisms of board renewal and, if so, include a description of those director term limits or other mechanisms of board renewal. If the issuer has not adopted director term limits or other mechanisms of board renewal, disclose why it has not done so.	Directors are appointed at each annual meeting of Shareholders to hold office for a term expiring at the close of the next annual meeting or until his or her successor is duly elected or appointed, unless: (i) his or her office is earlier vacated; (ii) he or she ceases to be qualified to act as a Director of Holloway; or (iii) he or she is removed as a Director of Holloway.  The Compensation and Governance Committee is responsible for regularly assessing the effectiveness of the Board, each of its committees and individual Directors.
11.	<b><u>Policies Regarding the Representation of Women on the Board</u></b>	
	(a) Disclose whether the issuer has adopted a written policy relating to the identification and nomination of	The Company has not adopted a written policy specifically relating to the identification and nomination of women directors nor does the Board consider the level of representation of women when making executive

	<b>GOVERNANCE DISCLOSURE GUIDELINE UNDER NI 58-101</b>	<b>COMMENTS</b>
	<p>women directors. If the issuer has not adopted such a policy, disclose why it has not done so.</p>	<p>officer appointments or set targets regarding women on the Board or in executive positions.</p> <p>The emphasis in filling Board and senior management vacancies has been finding the best qualified candidates given the needs and circumstances of the Board and the Company.</p> <p>Informally, the Company values diversity, including, without limitation, diversity of experience, perspective, education, race, gender and national origin as part of its overall business strategy. The Board intends to consider whether it should adopt specific policies and practices regarding the representation of women on the Board and in executive positions. As at the date hereof, no women are members of the five member Board and one woman holds an executive position, our Chief Financial Officer Jane Rafuse, representing approximately 33% of such senior positions.</p>
	<p>(b) If an issuer has adopted a policy referred to in (a), disclose the following in respect of the policy:</p> <ul style="list-style-type: none"> <li>(i) a short summary of its objectives and key provisions;</li> <li>(ii) the measures taken to ensure that the policy has been effectively implemented;</li> <li>(iii) annual and cumulative progress by the issuer in achieving the objectives of the policy; and</li> <li>(iv) whether and, if so, how the board or its nominating committee measures the effectiveness of the policy.</li> </ul>	<p>No such policy has been adopted.</p>
12.	<p><b><u>Consideration of the Representation of Women in the Director Identification and Selection Process</u></b></p>	
	<p>Disclose whether and, if so, how the board or nominating committee considers the level of representation of women on the board in identifying and nominating candidates for election or re-election to the board. If the issuer does not consider the level of representation of women on the board in identifying and nominating candidates for election or re-election to the board, disclose the issuer's reasons for not doing so.</p>	<p>See response to #11.</p>
13.	<p><b><u>Consideration Given to the Representation of Women in Executive Officer Appointments</u></b></p>	
	<p>Disclose whether and, if so, how the issuer considers the level of representation of women in executive officer positions when making executive officer appointments. If the issuer does not consider the level of representation of women in executive officer positions when making executive</p>	<p>See response to #11.</p>

	<b>GOVERNANCE DISCLOSURE GUIDELINE UNDER NI 58-101</b>	<b>COMMENTS</b>
	officer appointments, disclose the issuer's reasons for not doing so.	
14.	<b><u>Issuer's Targets Regarding the Representation of Women on the Board and in Executive Officer Positions</u></b>	
	For purposes of this Item, a "target" means a number or percentage, or a range of numbers or percentages, adopted by the issuer of women on the issuer's board or in executive officer positions of the issuer by a specific date.	
	(a) Disclose whether the issuer has adopted a target regarding women on the issuer's board. If the issuer has not adopted a target, disclose why it has not done so.	No such target has been adopted by the Board. See response to #11.
	(b) Disclose whether the issuer has adopted a target regarding women in executive officer positions of the issuer. If the issuer has not adopted a target, disclose why it has not done so.	No such target has been adopted by the Board. See response to #11.
	(c) If the issuer has adopted a target referred to in either (a) or (b), disclose: (i) the target, and (ii) the annual and cumulative progress of the issuer in achieving the target.	No such target has been adopted by the Board.
15.	<b><u>Number of Women on the Board and in Executive Officer Positions</u></b>	
	(a) Disclose the number and proportion (in percentage terms) of directors on the issuer's board who are women.	None; 0%.
	(b) Disclose the number and proportion (in percentage terms) of executive officers of the issuer, including all major subsidiaries of the issuer, who are women.	One. This represents 33% of senior management (Chief Financial Officer, Chief Operating Officer and General Counsel).



