

APPENDIX D

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
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