Certificate of Arrangement

Canada Business Corporations Act

Certificat d'arrangement

Loi canadienne sur les sociétés par actions

TEMPLE HOTELS INC.

Corporate name(s) of CBCA applicants / Dénomination(s) sociale(s) de la ou des sociétés LCSA requérantes

1084265-6

Corporation number(s) / Numéro(s) de la ou des sociétés

I HEREBY CERTIFY that the arrangement set out in the attached articles of arrangement has been effected under section 192 of the *Canada Business Corporations Act*.

JE CERTIFIE que l'arrangement mentionné dans les clauses d'arrangement annexées a pris effet en vertu de l'article 192 de la *Loi canadienne sur les sociétés par actions*.

R Edwards

Raymond Edwards

Director / Directeur

2020-02-18

Date of Arrangement (YYYY-MM-DD)
Date de l'arrangement (AAAA-MM-JJ)

Innovation, Science and Economic Development Canada
Corporations Canada

Innovation, Sciences et Développement économique Canada
Corporations Canada

Canada Business Corporations Act (CBCA)
FORM 14.1
ARTICLES OF ARRANGEMENT
(Section 192)

1 - Name of the applicant corporation(s)	Corporation number
TEMPLE HOTELS INC.	1084265-6

2 - Name of the corporation(s) the articles of which are amended, if applicable	Corporation number

3 - Name of the corporation(s) created by amalgamation, if applicable	Corporation number

4 - Name of the dissolved corporation(s), if applicable	Corporation number

5 - Name of the other bodies corporate involved, if applicable	Corporation number or jurisdiction
MORGUARD CORPORATION	Ontario

6 - In accordance with the order approving the arrangement, the plan of arrangement attached hereto, involving the above named body(ies) corporate, is hereby effected.

In accordance with the plan of arrangement,

☐ a. the articles of the corporation(s) indicated in item 2, are amended.

If the amendment includes a name change, indicate the change below:

☐ b. the following bodies corporate and/or corporations are amalgamated (for CBCA corporations include the corporation number):

☐ c. the corporation(s) indicated in item 4 is(are) liquidated and dissolved:

7 - I hereby certify that I am a director or an authorized officer of one of the applicant corporations.

Signature: [signature]

Print name: Beverley G. Flynn

Note: Misrepresentation constitutes an offence and, on summary conviction, a person is liable to a fine not exceeding $5,000 or to imprisonment for a term not exceeding six months or to both (subsection 250(1) of the CBCA).

Canada

FEB 18 2020

TEMPLE HOTELS INC.

PLAN OF ARRANGEMENT UNDER SECTION 192
OF THE *CANADA BUSINESS CORPORATIONS ACT*

1. INTERPRETATION

(a) Definitions: In this Plan of Arrangement, unless the context otherwise requires, the following words and terms shall have the meaning hereinafter set forth below. Capitalized terms used herein and not otherwise defined have the respective meanings ascribed to them in the Arrangement Agreement:

"**Acquirer**" means Morguard Corporation, a corporation existing under the laws of Canada;

"**Arrangement**" means the arrangement under the provisions of Section 192 of the CBCA, on the terms and conditions set forth in this Plan of Arrangement, subject to any amendment or supplement thereto made in accordance with the Arrangement Agreement and the provisions hereof or made at the direction of the Court in the Final Order with the consent of Target and Acquirer, each acting reasonably;

"**Arrangement Agreement**" means the arrangement agreement dated December 19, 2019 between Acquirer and Target to which this Plan of Arrangement is attached as Schedule A, as supplemented, modified or amended;

"**Arrangement Resolution**" means the resolutions approving the Arrangement to be considered at the Target Meeting;

"**Articles of Arrangement**" means the articles of arrangement of Target in respect of the Arrangement required by the CBCA to be filed with the Director after the Final Order is made, which shall include this Plan of Arrangement and otherwise be in a form and content satisfactory to Target and Acquirer, each acting reasonably;

"**Business Day**" means any day, other than a Saturday or Sunday, upon which banks in Toronto, Ontario, Canada are open for business;

"CBCA" means the *Canada Business Corporations Act;*

"**Certificate of Arrangement**" means the certificate of arrangement to be issued by the Director pursuant to subsection 192(7) of the CBCA in respect of the Articles of Arrangement;

"**Consideration**" means $2.10 in cash per Target Share;

"**Court**" means the Ontario Superior Court of Justice (Commercial List);

"**Depositary**" means any trust company, bank or financial institution agreed to in writing by Acquirer and Target for the purpose of disbursing Consideration in accordance with the terms of the Arrangement;

"**Director**" means the Director appointed pursuant to Section 260 of the CBCA;

“**Dissent Procedures**” means the procedures set forth in Section 190 of the CBCA, as may be modified by the Interim Order, and Section 4 of this Plan of Arrangement, which are required to be taken by a registered Target Shareholder to exercise the right of dissent in respect of Target Shares in connection with the Arrangement;

“**Dissent Rights**” means the right of a registered Target Shareholder to dissent to the Arrangement Resolution and to be paid the fair value of the Target Shares in respect of which the holder dissents, all in accordance with the Interim Order and Section 4 hereof;

“**Dissent Shares**” has the meaning ascribed thereto in Section 3(a)(ii);

“**Dissenting Target Shareholder**” means a registered Target Shareholder who has duly exercised a Dissent Right in strict compliance with the Dissent Procedures;

“**Effective Date**” means the date shown on the Certificate of Arrangement giving effect to the Plan of Arrangement;

“**Effective Time**” means 12:01 a.m., Toronto time, on the Effective Date, or such other time in Toronto, Ontario on the Effective Date as Target and Acquirer, each acting reasonably, may agree in writing prior to the Effective Date;

“**Encumbrance**” means any mortgage, hypothec, pledge, assignment, charge, lien, claim, security interest, adverse interest, other third person interest or encumbrance of any kind, whether contingent or absolute, and any agreement, option, right or privilege (whether by law, contract or otherwise) capable of becoming any of the foregoing, and “**Encumber**” means to create an Encumbrance;

“**Final Order**” means the final order of the Court approving the Arrangement, as such order may be amended, modified, supplemented or varied by the Court (with the consent of Target and Acquirer, each acting reasonably) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn, abandoned or denied, as affirmed or as amended (provided that any such amendment is acceptable to Target and Acquirer, each acting reasonably) on appeal;

“**Former Target Shareholders**” means a Target Shareholder immediately prior to the Effective Time and any Person who surrenders to the Depositary certificates representing Target Shares duly endorsed for transfer in accordance with the provisions set forth in the Letter of Transmittal, in each case other than a Dissenting Target Shareholder and Acquirer but including holders of the Target Deferred Shares;

“**Interim Order**” means the interim order of the Court providing for, among other things, the calling and holding of the Target Meeting, as such order may be amended, supplemented or varied by the Court (with the consent of Acquirer and Target);

“**Letter of Transmittal**” means the letter of transmittal contemplated pursuant to which Target Shareholders are required to deliver certificates representing Target Shares, and other documents as may be reasonably required by the Depositary, in order to receive the Consideration payable to them pursuant to the Arrangement;

"**Person**" means any individual, corporation, firm, partnership (including, without limitation, a limited partnership), sole proprietorship, syndicate, joint venture, trustee, trust, any unincorporated organization or association, any government or instrumentality thereof and any tribunal;

"Plan of Arrangement" means this plan of arrangement as amended or supplemented from time to time in accordance with the terms hereof and the Arrangement Agreement, or at the direction of the Court;

"**Target**" means Temple Hotels Inc., a corporation existing under the laws of Canada;

"**Target Deferred Share Plan**" means the amended and restated deferred share plan of Target dated June 30, 2015, which expired on June 25, 2018;

"**Target Deferred Shares**" means deferred shares of Target granted pursuant to the Target Deferred Share Plan;

"**Target Meeting**" means the annual and special meeting of Target Shareholders, including any adjournment or adjournments or postponement or postponements thereof, to be held for the purpose of obtaining approval by Target Shareholders of the Arrangement Resolution;

"**Target Securities**" means, collectively, Target Shares, Target Deferred Shares and any other shares or securities of any nature heretofore issued by Target from time to time;

"**Target Shareholder**" means a holder of Target Shares;

"**Target Shares**" means the common shares in the capital of Target; and

"**Tax Act**" means the *Income Tax Act* (Canada) and the regulations thereunder, as amended from time to time.

(b) Interpretation Not Affected by Headings. The headings contained in this Plan of Arrangement are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Plan of Arrangement. The terms "this Plan of Arrangement", "hereof', "herein", "hereto", "hereunder" and similar expressions refer to this Plan of Arrangement and not to any particular article, section, subsection, paragraph, subparagraph, clause or sub-clause hereof and include any agreement or instrument supplementary or ancillary hereto.

(c) Date for any Action. If the date on which any action is required to be taken hereunder is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day.

(d) Number and Gender. In this Plan of Arrangement, unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing gender include all genders and neuter.

(e) References to Persons and Statutes. A reference to a Person includes any successor to that Person. A reference to any statute includes all regulations made pursuant to such statute and the provisions of any statute or regulation which amends, supplements or supersedes any such statute or regulation.

(f) Currency. Unless otherwise stated in this Plan of Arrangement, all references herein to amounts of money are expressed in lawful money of Canada.

(g) Governing Law. This Plan of Arrangement shall be governed, including as to validity, interpretation and effect, by the laws of the Province of Ontario and the federal laws of Canada applicable therein.

2. ARRANGEMENT AGREEMENT

This Plan of Arrangement is made pursuant to and subject to the provisions of the Arrangement Agreement. This Plan of Arrangement will become effective at the Effective Time and will be binding at and after the Effective Time on Acquirer, Target, the Depositary, Dissenting Target Shareholders and the registered and beneficial holders of the Target Securities.

3. THE ARRANGEMENT

(a) The Arrangement. Commencing at the Effective Time, the following shall occur and be deemed to occur in the following order without any further act or formality and, except as otherwise noted in this Section 3, with each transaction or event being deemed to occur immediately after the occurrence of the transaction or event immediately preceding it:

(i) each Target Deferred Share outstanding immediately prior to the Effective Time, notwithstanding the terms of the Target Deferred Shares, shall without any further action by or on behalf of the holders of the Target Deferred Shares, be exchanged for Target Shares on a one-to-one basis and (A) the holders of such Target Deferred Shares shall cease to be the holders thereof, and to have any rights as holders of such Target Deferred Shares; (B) such holders' name shall be removed from the register of the Target Deferred Shares maintained by or on behalf of Target; and (C) such holders will be deemed to be the holders of such Target Shares on the Effective Date and will be entered in Target's register of holders of Target Shares as the registered holders of such Target Shares and shall be deemed the legal and beneficial owner thereof;

(ii) the Target Shares held by Dissenting Target Shareholders who have exercised Dissent Rights which remain valid immediately before the Effective Time ("**Dissent Shares**") shall, as of the Effective Time, be deemed to have been transferred to Acquirer (free and clear of any Encumbrances of any nature whatsoever) and Acquirer shall thereupon be obligated to pay the amount therefor determined and payable in accordance with Section 4 hereof and, as of the Effective Time, such Dissenting Target Shareholders shall cease to have any rights as Target Shareholders, other than the right to be paid the fair value of their Target Shares by Acquirer in accordance with the Dissent Rights and the name of each such Dissenting Target Shareholder shall be removed from the register of Target Shareholders maintained by or on behalf of Target;

(iii) each issued and outstanding Target Share (including, for greater certainty, the Target Shares issued pursuant to the exchange of Target Deferred Shares pursuant to Section 3(a)(i)), other than those Target Shares acquired from a Dissenting Target Shareholder pursuant to Section 3(a)(ii) and those Target Shares held by Acquirer, shall be, and shall be deemed to be, transferred to, and acquired by, Acquirer (free and clear of any Encumbrance) in exchange for the Consideration;

(iv) each Former Target Shareholder shall cease to be a holder of the Target Shares so transferred and the names of each such Former Target Shareholder shall be removed from the register of Target Shareholders maintained by or on behalf of Target as it relates to the Target Shares so transferred, and Acquirer shall become the holder of the Target Shares so transferred; and

(v) Target shall make an election to cease to be a "public corporation" under section 89(1) of Tax Act.

4. RIGHTS OF DISSENT

Each registered Target Shareholder shall be entitled to exercise Dissent Rights with respect to the Target Shares pursuant to and in the manner set forth in Section 190 of the CBCA as modified by the Interim Order and this Section 4; provided that, notwithstanding subsection 190(5) of the CBCA, the written objection to the Arrangement Resolution referred to in subsection 190(5) of the CBCA must be received by Target not later than 5:00 p.m., Toronto time, on the Business Day that is two Business Days prior to the date of the Target Meeting (as it may be adjourned or postponed from time to time) and must strictly comply with all other provisions of Section 190 of the CBCA as modified by the Interim Order.

If the Arrangement is concluded, a registered Target Shareholder who exercises Dissent Rights in strict compliance with the Dissent Procedures shall be entitled to be paid by Acquirer the fair value of the Target Shares held by such Dissenting Target Shareholder in respect of which such Dissenting Target Shareholder dissents, determined as provided for in the CBCA, as modified by the Interim Order and this Section 4. Any such Dissenting Target Shareholder who exercises Dissent Rights and who:

(a) is ultimately entitled to be paid fair value for its Target Shares will be deemed to have transferred such Target Shares (free and clear of all Encumbrances) to Acquirer in accordance with Section 3(a)(ii) in consideration for a right to receive a payment for such fair value from Acquirer and will not be entitled to any other payment or consideration, including any payment that would be payable under the Plan of Arrangement had such holder not exercised its Dissent Rights in respect of such Target Shares; or

(b) is ultimately not entitled, for any reason, to be paid fair value for its Target Shares in respect of which they dissent, will be deemed to have participated in the Arrangement in respect of those Target Shares, on the same basis as a non-dissenting Target Shareholder (other than Acquirer) and will be entitled to receive only the Consideration that such non-dissenting Target Shareholders are entitled to receive, on the basis set forth in Section 3(a)(iii) and, for greater certainty, will be considered to have transferred such Target Shares in exchange for the Consideration pursuant to, and at the same time as the Target Shares were transferred by the other Former Target Shareholders pursuant to Section 3(a)(iii).

In no case shall Acquirer, Target, or any other Person be required to recognize a Dissenting Target Shareholder as a registered or beneficial owner of Target Shares or any interest therein (other than the rights set out in this Section 4) at or after the Effective Time, and at the Effective Time the names of such Dissenting Target Shareholders shall be removed from the share register of Target and Acquirer shall be recorded as the registered holder of such Target Shares.

For greater certainty, in addition to any other restrictions in the Interim Order or under Section 190 of the CBCA, no Person will be entitled to exercise Dissent Rights with respect to Target Shares in respect of which a Person has voted in favour of the Arrangement Resolution.

5. DELIVERY OF CASH

(a) Deposit. At least one Business Day prior to the Effective Date, in accordance with the Arrangement Agreement, Acquirer shall deposit or cause to be deposited with the Depositary, for the benefit of the Former Target Shareholders cash in an amount equal to the Consideration payable to Former Target Shareholders pursuant to Section 3(a)(iii).

(b) Letter of Transmittal. The Depositary will forward to each Target Shareholder other than Acquirer, at the address of such Target Shareholder as it appears on the register for Target Shares, a Letter of Transmittal and instructions for obtaining delivery of the aggregate Consideration payable to such Target Shareholder.

(c) Entitlement to Consideration.

(i) Acquirer and Target shall cause the Depositary, as soon as practicable following the later of the Effective Date and the date of deposit with the Depositary of a duly completed Letter of Transmittal and the certificates representing the Target Shares or other documentation as provided in the Letter of Transmittal, to:

(1) forward or cause to be forwarded by first class mail (postage prepaid) to the Former Target Shareholders at the address specified in the Letter of Transmittal;

(2) if requested by the Former Target Shareholders in the Letter of Transmittal, make available at the Depositary for pick-up by the Former Target Shareholders; or

(3) if the Letter of Transmittal neither specifies an address nor contains a request as described in (2) above, forward or cause to be forwarded by first class mail (postage prepaid) to the Former Target Shareholders at the address of such Former Target Shareholders as shown on the share register maintained by Target as at the Effective Time,

a cheque representing the cash payment payable to such Former Target Shareholders to such Former Target Shareholders as determined in accordance with the provisions hereof.

(ii) No Former Target Shareholder shall be entitled to receive any consideration with respect to the Target Shares, other than the Consideration which they are entitled to receive in accordance with this Plan of Arrangement and, for greater certainty, no Former Target Shareholder will be entitled to receive any interest, dividends, premium or other payment in connection therewith.

(iii) After the Effective Time and until surrendered as contemplated by Section 5(c)(i) hereof, each certificate that immediately prior to the Effective Time represented one or more Target Shares shall be deemed at all times to represent only the right to receive in exchange therefor the Consideration to which the holder of such certificate is entitled to receive in accordance with Section 5(c)(i) hereof.

(d) Other Target Securities. At the Effective Time, each and every certificate, document, agreement or other instrument, if any, formerly representing any and all other Target Securities or that represents or may be exercised for, or converted into, shares or other securities of Target shall be and shall be deemed to be cancelled, void and of no further force and effect without any further authorization, act or formality.

(e) Lost Certificates. In the event that any certificate which immediately prior to the Effective Time represented one or more Target Shares which were exchanged for Consideration in accordance with Sections 3 and 5 hereof shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the holder claiming such certificate to be lost, stolen or destroyed, the Depositary shall deliver in exchange for such lost, stolen or destroyed certificate, the Consideration which such Target Shareholder is entitled to receive in accordance with Sections 3 and 5 hereof. When authorizing such delivery of cash which such Target Shareholder is entitled to receive in exchange for such lost, stolen or destroyed certificate, the Target Shareholder to whom cash is to be delivered shall, as a condition precedent to the delivery of such consideration, give a bond satisfactory to Acquirer, Target and the Depositary in such amount as Acquirer, Target and the Depositary may reasonably direct, or otherwise indemnify Acquirer, Target and the Depositary in a manner satisfactory to Acquirer, Target and the Depositary, against any claim that may be made against Acquirer, Target or the Depositary with respect to the certificate alleged to have been lost, stolen or destroyed and shall otherwise take such actions as may be required by the by-laws of Acquirer and Target, as the case may be.

(f) Termination of Rights. Any certificate formerly representing Target Shares that is not deposited, with all other documents as provided in this Section 5 on or before the sixth anniversary of the Effective Date, shall cease to represent any claim or interest of any kind or nature against Acquirer, Target or the Depositary and will be deemed to have been donated, surrendered and forfeited to Acquirer for no consideration.

(g) Withholding Rights. Acquirer, Target and the Depositary and any person acting on their behalf shall be entitled to deduct and/or withhold from any consideration payable or otherwise deliverable to any Person pursuant to the Arrangement and from all dividends or other distributions otherwise payable to any former holders of Target Securities such amounts as Acquirer, Target or the Depositary is required to deduct and/or withhold therefrom under any provision of the Tax Act or any other Applicable Law in respect of taxes including without limitation any amounts payable to Target Dissenting Shareholders or payable in respect of Target Securities. To the extent that such amounts are so deducted, withheld and/or remitted, such amounts shall be treated for all purposes under this Plan of Arrangement as having been paid to the Person to whom such amounts would otherwise have been paid; provided that, with respect to amounts withheld pursuant to the foregoing clause such withheld amounts are actually remitted to the appropriate taxing authority.

(h) Transfer Free of Claim. Any exchange or transfer of Target Shares pursuant to this Plan of Arrangement shall be free and clear of any Encumbrances or other claims of third parties of any kind.

6. DIVIDENDS AND DISTRIBUTIONS

If, on or after the date of the Arrangement Agreement, Target declares, sets aside or pays any dividend or other distribution payable in cash, securities, property or otherwise with respect to the Target Shares, or sets a record date therefor that is prior to the Effective Time, in either case with the written consent of Acquirer, then the consideration to be received under this Plan of Arrangement shall be adjusted to reflect each such dividend or other distribution by way of a reduction in such consideration by an amount equal to the amount of such dividend or distribution per Target Share.

7. AMENDMENT

(a) Amendment.

(i) Acquirer and Target reserve the right to amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Date, provided that any amendment, modification or supplement must be approved by Acquirer and Target in a written document which is filed with the Court and, if made following the Target Meeting, then approved by the Court, and communicated to the Target Shareholders in the manner required by the Court (if so required).

(ii) Any amendment, modification or supplement to this Plan of Arrangement, if agreed to by Acquirer, may be made at any time prior to or at the Target Meeting, with or without any other prior notice or communication and, if so proposed and accepted by Persons voting at the Target Meeting (other than as may be required under the Interim Order) shall become part of this Plan of Arrangement for all purposes.

(iii) Any amendment, modification or supplement to this Plan of Arrangement that is approved or directed by the Court following the Target Meeting will be effective only if it is consented to by Target, and Acquirer and, if required by the Court, by the Target Shareholders.

(iv) Notwithstanding the foregoing provisions of this Section 7, no amendment, modification or supplement of this Plan of Arrangement may be made prior to the Effective Time except in accordance with the terms of the Arrangement Agreement.

Court File No. CV-19-00633290-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE	)	**FRIDAY, THE 14th**
	)	
JUSTICE GILMORE	)	**DAY OF FEBRUARY, 2020**

IN THE MATTER OF AN APPLICATION UNDER SECTION 192 OF THE *CANADA BUSINESS CORPORATIONS ACT*, R.S.C. 1985, c. C-44, AS AMENDED, AND RULES 14.05(2) AND 14.05(3) OF THE RULES OF CIVIL PROCEDURE

AND IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING TEMPLE HOTELS INC., ITS SHAREHOLDERS AND MORGUARD CORPORATION.

TEMPLE HOTELS INC.

Applicant

ORDER
(February 14, 2020)

THIS APPLICATION made by the Applicant pursuant to section 192 of the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended, (the "CBCA") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Application issued on December 20, 2019, the affidavit of Brent McLean sworn January 6, 2020, the affidavit of Jonathan Carnella sworn February 10, 2020, the affidavit of mailing of James Daly sworn January 17, 2020, and the Interim Order of the Honourable Justice McEwen dated January 10, 2020, all filed, and

ON HEARING the submissions of counsel for the Applicant and counsel for Morguard Corporation, and on being advised that the Director appointed under the CBCA does not consider it necessary to appear on this application, no one appearing for any other person, including any shareholder or a holder of deferred shares of the Applicant, and having determined that the Arrangement, as described in the Plan of Arrangement attached as Schedule “A” to this order is an arrangement for the purposes of section 192 of the CBCA and is fair and reasonable in accordance with the requirements of that section,

1. **THIS COURT ORDERS** that the Arrangement, as described in the Plan of Arrangement attached as Schedule "A" to this order, shall be and is hereby approved.

2. **THIS COURT ORDERS** that the Applicant shall be entitled to seek leave to vary this order upon such terms upon giving such notice as this court may direct, to seek the advice and directions of this court as to the implementation of this order, and to apply for such further order or orders as may be appropriate.

C. Gilmore J.

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

FEB 1 4 2020

PER / PAR:

SCHEDULE A

PLAN OF ARRANGEMENT UNDER SECTION 192 OF THE *CANADA BUSINESS CORPORATIONS ACT*

1. INTERPRETATION

(a) Definitions: In this Plan of Arrangement, unless the context otherwise requires, the following words and terms shall have the meaning hereinafter set forth below. Capitalized terms used herein and not otherwise defined have the respective meanings ascribed to them in the Arrangement Agreement:

"**Acquirer**" means Morguard Corporation, a corporation existing under the laws of Canada;

"**Arrangement**" means the arrangement under the provisions of Section 192 of the CBCA, on the terms and conditions set forth in this Plan of Arrangement, subject to any amendment or supplement thereto made in accordance with the Arrangement Agreement and the provisions hereof or made at the direction of the Court in the Final Order with the consent of Target and Acquirer, each acting reasonably;

"**Arrangement Agreement**" means the arrangement agreement dated December 19, 2019 between Acquirer and Target to which this Plan of Arrangement is attached as Schedule A, as supplemented, modified or amended;

"**Arrangement Resolution**" means the resolutions approving the Arrangement to be considered at the Target Meeting;

"**Articles of Arrangement**" means the articles of arrangement of Target in respect of the Arrangement required by the CBCA to be filed with the Director after the Final Order is made, which shall include this Plan of Arrangement and otherwise be in a form and content satisfactory to Target and Acquirer, each acting reasonably;

"**Business Day**" means any day, other than a Saturday or Sunday, upon which banks in Toronto, Ontario, Canada are open for business;

"**CBCA**" means the *Canada Business Corporations Act;*

"**Certificate of Arrangement**" means the certificate of arrangement to be issued by the Director pursuant to subsection 192(7) of the CBCA in respect of the Articles of Arrangement;

"**Consideration**" means $2.10 in cash per Target Share;

"**Court**" means the Ontario Superior Court of Justice (Commercial List);

"**Depositary**" means any trust company, bank or financial institution agreed to in writing by Acquirer and Target for the purpose of disbursing Consideration in accordance with the terms of the Arrangement;

"**Director**" means the Director appointed pursuant to Section 260 of the CBCA;

"**Dissent Procedures**" means the procedures set forth in Section 190 of the CBCA, as may be modified by the Interim Order, and Section 4 of this Plan of Arrangement, which are required to be taken by a registered Target Shareholder to exercise the right of dissent in respect of Target Shares in connection with the Arrangement;

"**Dissent Rights**" means the right of a registered Target Shareholder to dissent to the Arrangement Resolution and to be paid the fair value of the Target Shares in respect of which the holder dissents, all in accordance with the Interim Order and Section 4 hereof;

"**Dissent Shares**" has the meaning ascribed thereto in Section 3(a)(ii);

"**Dissenting Target Shareholder**" means a registered Target Shareholder who has duly exercised a Dissent Right in strict compliance with the Dissent Procedures;

"**Effective Date**" means the date shown on the Certificate of Arrangement giving effect to the Plan of Arrangement;

"**Effective Time**" means 12:01 a.m., Toronto time, on the Effective Date, or such other time in Toronto, Ontario on the Effective Date as Target and Acquirer, each acting reasonably, may agree in writing prior to the Effective Date;

"**Encumbrance**" means any mortgage, hypothec, pledge, assignment, charge, lien, claim, security interest, adverse interest, other third person interest or encumbrance of any kind, whether contingent or absolute, and any agreement, option, right or privilege (whether by law, contract or otherwise) capable of becoming any of the foregoing, and "**Encumber**" means to create an Encumbrance;

"**Final Order**" means the final order of the Court approving the Arrangement, as such order may be amended, modified, supplemented or varied by the Court (with the consent of Target and Acquirer, each acting reasonably) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn, abandoned or denied, as affirmed or as amended (provided that any such amendment is acceptable to Target and Acquirer, each acting reasonably) on appeal;

"**Former Target Shareholders**" means a Target Shareholder immediately prior to the Effective Time and any Person who surrenders to the Depositary certificates representing Target Shares duly endorsed for transfer in accordance with the provisions set forth in the Letter of Transmittal, in each case other than a Dissenting Target Shareholder and Acquirer but including holders of the Target Deferred Shares;

"**Interim Order**" means the interim order of the Court providing for, among other things, the calling and holding of the Target Meeting, as such order may be amended, supplemented or varied by the Court (with the consent of Acquirer and Target);

"**Letter of Transmittal**" means the letter of transmittal contemplated pursuant to which Target Shareholders are required to deliver certificates representing Target Shares, and other documents as may be reasonably required by the Depositary, in order to receive the Consideration payable to them pursuant to the Arrangement;

"Person" means any individual, corporation, firm, partnership (including, without limitation, a limited partnership), sole proprietorship, syndicate, joint venture, trustee, trust, any unincorporated organization or association, any government or instrumentality thereof and any tribunal;

"Plan of Arrangement" means this plan of arrangement as amended or supplemented from time to time in accordance with the terms hereof and the Arrangement Agreement, or at the direction of the Court;

"Target" means Temple Hotels Inc., a corporation existing under the laws of Canada;

"Target Deferred Share Plan" means the amended and restated deferred share plan of Target dated June 30, 2015, which expired on June 25, 2018;

"Target Deferred Shares" means deferred shares of Target granted pursuant to the Target Deferred Share Plan;

"Target Meeting" means the annual and special meeting of Target Shareholders, including any adjournment or adjournments or postponement or postponements thereof, to be held for the purpose of obtaining approval by Target Shareholders of the Arrangement Resolution;

"Target Securities" means, collectively, Target Shares, Target Deferred Shares and any other shares or securities of any nature heretofore issued by Target from time to time;

"Target Shareholder" means a holder of Target Shares;

"Target Shares" means the common shares in the capital of Target; and

"Tax Act" means the *Income Tax Act* (Canada) and the regulations thereunder, as amended from time to time.

(b) Interpretation Not Affected by Headings. The headings contained in this Plan of Arrangement are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Plan of Arrangement. The terms "this Plan of Arrangement", "hereof", "herein", "hereto", "hereunder" and similar expressions refer to this Plan of Arrangement and not to any particular article, section, subsection, paragraph, subparagraph, clause or sub-clause hereof and include any agreement or instrument supplementary or ancillary hereto.

(c) Date for any Action. If the date on which any action is required to be taken hereunder is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day.

(d) Number and Gender. In this Plan of Arrangement, unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing gender include all genders and neuter.

(e) References to Persons and Statutes. A reference to a Person includes any successor to that Person. A reference to any statute includes all regulations made pursuant to such statute and the provisions of any statute or regulation which amends, supplements or supersedes any such statute or regulation.

(f) Currency. Unless otherwise stated in this Plan of Arrangement, all references herein to amounts of money are expressed in lawful money of Canada.

(g) Governing Law. This Plan of Arrangement shall be governed, including as to validity, interpretation and effect, by the laws of the Province of Ontario and the federal laws of Canada applicable therein.

2. ARRANGEMENT AGREEMENT

This Plan of Arrangement is made pursuant to and subject to the provisions of the Arrangement Agreement. This Plan of Arrangement will become effective at the Effective Time and will be binding at and after the Effective Time on Acquirer, Target, the Depositary, Dissenting Target Shareholders and the registered and beneficial holders of the Target Securities.

3. THE ARRANGEMENT

(a) The Arrangement. Commencing at the Effective Time, the following shall occur and be deemed to occur in the following order without any further act or formality and, except as otherwise noted in this Section 3, with each transaction or event being deemed to occur immediately after the occurrence of the transaction or event immediately preceding it:

(i) each Target Deferred Share outstanding immediately prior to the Effective Time, notwithstanding the terms of the Target Deferred Shares, shall without any further action by or on behalf of the holders of the Target Deferred Shares, be exchanged for Target Shares on a one-to-one basis and (A) the holders of such Target Deferred Shares shall cease to be the holders thereof, and to have any rights as holders of such Target Deferred Shares; (B) such holders' name shall be removed from the register of the Target Deferred Shares maintained by or on behalf of Target; and (C) such holders will be deemed to be the holders of such Target Shares on the Effective Date and will be entered in Target's register of holders of Target Shares as the registered holders of such Target Shares and shall be deemed the legal and beneficial owner thereof;

(ii) the Target Shares held by Dissenting Target Shareholders who have exercised Dissent Rights which remain valid immediately before the Effective Time ("**Dissent Shares**") shall, as of the Effective Time, be deemed to have been transferred to Acquirer (free and clear of any Encumbrances of any nature whatsoever) and Acquirer shall thereupon be obligated to pay the amount therefor determined and payable in accordance with Section 4 hereof and, as of the Effective Time, such Dissenting Target Shareholders shall cease to have any rights as Target Shareholders, other than the right to be paid the fair value of their Target Shares by Acquirer in accordance with the Dissent Rights and the name of each such Dissenting Target Shareholder shall be removed from the register of Target Shareholders maintained by or on behalf of Target;

(iii) each issued and outstanding Target Share (including, for greater certainty, the Target Shares issued pursuant to the exchange of Target Deferred Shares pursuant to Section 3(a)(i)), other than those Target Shares acquired from a Dissenting Target Shareholder pursuant to Section 3(a)(ii) and those Target Shares held by Acquirer, shall be, and shall be deemed to be, transferred to, and acquired by, Acquirer (free and clear of any Encumbrance) in exchange for the Consideration;

(iv) each Former Target Shareholder shall cease to be a holder of the Target Shares so transferred and the names of each such Former Target Shareholder shall be removed from the register of Target Shareholders maintained by or on behalf of Target as it relates to the Target Shares so transferred, and Acquirer shall become the holder of the Target Shares so transferred; and

(v) Target shall make an election to cease to be a "public corporation" under section 89(1) of Tax Act.

4. RIGHTS OF DISSENT

Each registered Target Shareholder shall be entitled to exercise Dissent Rights with respect to the Target Shares pursuant to and in the manner set forth in Section 190 of the CBCA as modified by the Interim Order and this Section 4; provided that, notwithstanding subsection 190(5) of the CBCA, the written objection to the Arrangement Resolution referred to in subsection 190(5) of the CBCA must be received by Target not later than 5:00 p.m., Toronto time, on the Business Day that is two Business Days prior to the date of the Target Meeting (as it may be adjourned or postponed from time to time) and must strictly comply with all other provisions of Section 190 of the CBCA as modified by the Interim Order.

If the Arrangement is concluded, a registered Target Shareholder who exercises Dissent Rights in strict compliance with the Dissent Procedures shall be entitled to be paid by Acquirer the fair value of the Target Shares held by such Dissenting Target Shareholder in respect of which such Dissenting Target Shareholder dissents, determined as provided for in the CBCA, as modified by the Interim Order and this Section 4. Any such Dissenting Target Shareholder who exercises Dissent Rights and who:

(a) is ultimately entitled to be paid fair value for its Target Shares will be deemed to have transferred such Target Shares (free and clear of all Encumbrances) to Acquirer in accordance with Section 3(a)(ii) in consideration for a right to receive a payment for such fair value from Acquirer and will not be entitled to any other payment or consideration, including any payment that would be payable under the Plan of Arrangement had such holder not exercised its Dissent Rights in respect of such Target Shares; or

(b) is ultimately not entitled, for any reason, to be paid fair value for its Target Shares in respect of which they dissent, will be deemed to have participated in the Arrangement in respect of those Target Shares, on the same basis as a non-dissenting Target Shareholder (other than Acquirer) and will be entitled to receive only the Consideration that such non-dissenting Target Shareholders are entitled to receive, on the basis set forth in Section 3(a)(iii) and, for greater certainty, will be considered to have transferred such Target Shares in exchange for the Consideration pursuant to, and at the same time as the Target Shares were transferred by the other Former Target Shareholders pursuant to Section 3(a)(iii).

In no case shall Acquirer, Target, or any other Person be required to recognize a Dissenting Target Shareholder as a registered or beneficial owner of Target Shares or any interest therein (other than the rights set out in this Section 4) at or after the Effective Time, and at the Effective Time the names of such Dissenting Target Shareholders shall be removed from the share register of Target and Acquirer shall be recorded as the registered holder of such Target Shares.

For greater certainty, in addition to any other restrictions in the Interim Order or under Section 190 of the CBCA, no Person will be entitled to exercise Dissent Rights with respect to Target Shares in respect of which a Person has voted in favour of the Arrangement Resolution.

5. DELIVERY OF CASH

(a) Deposit. At least one Business Day prior to the Effective Date, in accordance with the Arrangement Agreement, Acquirer shall deposit or cause to be deposited with the Depositary, for the benefit of the Former Target Shareholders cash in an amount equal to the Consideration payable to Former Target Shareholders pursuant to Section 3(a)(iii).

(b) Letter of Transmittal. The Depositary will forward to each Target Shareholder other than Acquirer, at the address of such Target Shareholder as it appears on the register for Target Shares, a Letter of Transmittal and instructions for obtaining delivery of the aggregate Consideration payable to such Target Shareholder.

(c) Entitlement to Consideration.

(i) Acquirer and Target shall cause the Depositary, as soon as practicable following the later of the Effective Date and the date of deposit with the Depositary of a duly completed Letter of Transmittal and the certificates representing the Target Shares or other documentation as provided in the Letter of Transmittal, to:

(1) forward or cause to be forwarded by first class mail (postage prepaid) to the Former Target Shareholders at the address specified in the Letter of Transmittal;

(2) if requested by the Former Target Shareholders in the Letter of Transmittal, make available at the Depositary for pick-up by the Former Target Shareholders; or

(3) if the Letter of Transmittal neither specifies an address nor contains a request as described in (2) above, forward or cause to be forwarded by first class mail (postage prepaid) to the Former Target Shareholders at the address of such Former Target Shareholders as shown on the share register maintained by Target as at the Effective Time,

a cheque representing the cash payment payable to such Former Target Shareholders to such Former Target Shareholders as determined in accordance with the provisions hereof.

(ii) No Former Target Shareholder shall be entitled to receive any consideration with respect to the Target Shares, other than the Consideration which they are entitled to receive in accordance with this Plan of Arrangement and, for greater certainty, no Former Target Shareholder will be entitled to receive any interest, dividends, premium or other payment in connection therewith.

(iii) After the Effective Time and until surrendered as contemplated by Section 5(c)(i) hereof, each certificate that immediately prior to the Effective Time represented one or more Target Shares shall be deemed at all times to represent only the right to receive in exchange therefor the Consideration to which the holder of such certificate is entitled to receive in accordance with Section 5(c)(i) hereof.

(d) Other Target Securities. At the Effective Time, each and every certificate, document, agreement or other instrument, if any, formerly representing any and all other Target Securities or that represents or may be exercised for, or converted into, shares or other securities of Target shall be and shall be deemed to be cancelled, void and of no further force and effect without any further authorization, act or formality.

(e) Lost Certificates. In the event that any certificate which immediately prior to the Effective Time represented one or more Target Shares which were exchanged for Consideration in accordance with Sections 3 and 5 hereof shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the holder claiming such certificate to be lost, stolen or destroyed, the Depositary shall deliver in exchange for such lost, stolen or destroyed certificate, the Consideration which such Target Shareholder is entitled to receive in accordance with Sections 3 and 5 hereof. When authorizing such delivery of cash which such Target Shareholder is entitled to receive in exchange for such lost, stolen or destroyed certificate, the Target Shareholder to whom cash is to be delivered shall, as a condition precedent to the delivery of such consideration, give a bond satisfactory to Acquirer, Target and the Depositary in such amount as Acquirer, Target and the Depositary may reasonably direct, or otherwise indemnify Acquirer, Target and the Depositary in a manner satisfactory to Acquirer, Target and the Depositary, against any claim that may be made against Acquirer, Target or the Depositary with respect to the certificate alleged to have been lost, stolen or destroyed and shall otherwise take such actions as may be required by the by-laws of Acquirer and Target, as the case may be.

(f) Termination of Rights. Any certificate formerly representing Target Shares that is not deposited, with all other documents as provided in this Section 5 on or before the sixth anniversary of the Effective Date, shall cease to represent any claim or interest of any kind or nature against Acquirer, Target or the Depositary and will be deemed to have been donated, surrendered and forfeited to Acquirer for no consideration.

(g) Withholding Rights. Acquirer, Target and the Depositary and any person acting on their behalf shall be entitled to deduct and/or withhold from any consideration payable or otherwise deliverable to any Person pursuant to the Arrangement and from all dividends or other distributions otherwise payable to any former holders of Target Securities such amounts as Acquirer, Target or the Depositary is required to deduct and/or withhold therefrom under any provision of the Tax Act or any other Applicable Law in respect of taxes including without limitation any amounts payable to Target Dissenting Shareholders or payable in respect of Target Securities. To the extent that such amounts are so deducted, withheld and/or remitted, such amounts shall be treated for all purposes under this Plan of Arrangement as having been paid to the Person to whom such amounts would otherwise have been paid; provided that, with respect to amounts withheld pursuant to the foregoing clause such withheld amounts are actually remitted to the appropriate taxing authority.

(h) Transfer Free of Claim. Any exchange or transfer of Target Shares pursuant to this Plan of Arrangement shall be free and clear of any Encumbrances or other claims of third parties of any kind.

6. DIVIDENDS AND DISTRIBUTIONS

If, on or after the date of the Arrangement Agreement, Target declares, sets aside or pays any dividend or other distribution payable in cash, securities, property or otherwise with respect to the Target Shares, or sets a record date therefor that is prior to the Effective Time, in either case with the written consent of Acquirer, then the consideration to be received under this Plan of Arrangement shall be adjusted to reflect each such dividend or other distribution by way of a reduction in such consideration by an amount equal to the amount of such dividend or distribution per Target Share.

7. AMENDMENT

(a) Amendment.

(i) Acquirer and Target reserve the right to amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Date, provided that any amendment, modification or supplement must be approved by Acquirer and Target in a written document which is filed with the Court and, if made following the Target Meeting, then approved by the Court, and communicated to the Target Shareholders in the manner required by the Court (if so required).

(ii) Any amendment, modification or supplement to this Plan of Arrangement, if agreed to by Acquirer, may be made at any time prior to or at the Target Meeting, with or without any other prior notice or communication and, if so proposed and accepted by Persons voting at the Target Meeting (other than as may be required under the Interim Order) shall become part of this Plan of Arrangement for all purposes.

(iii) Any amendment, modification or supplement to this Plan of Arrangement that is approved or directed by the Court following the Target Meeting will be effective only if it is consented to by Target, and Acquirer and, if required by the Court, by the Target Shareholders.

(iv) Notwithstanding the foregoing provisions of this Section 7, no amendment, modification or supplement of this Plan of Arrangement may be made prior to the Effective Time except in accordance with the terms of the Arrangement Agreement.

IN THE MATTER OF AN APPLICATION UNDER SECTION 192, OF THE *CANADA BUSINESS CORPORATIONS ACT*, R.S.C. 1985, c. C-44, AS AMENDED

Court File No.: CV-19-00633290-00CL

TEMPLE HOTELS INC.
Applicant

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

ORDER
(February 14, 2020)

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