

AUDIT COMMITTEE CHARTER
Updated Approval as of November 8, 2017

Purpose

The purpose of the Audit Committee (the “Committee”) is to assist the Board of Directors of Red Lion Hotels Corporation, doing business as RLH_Corporation (the “Company”) in fulfilling its oversight responsibilities for (1) the integrity of the Company’s financial statements, (2) the Company’s compliance with legal and regulatory requirements, (3) the independent auditor’s qualifications and independence and (4) the performance of the Company’s internal audit function and independent auditors.

Additionally, the Audit Committee will prepare the audit committee report that SEC rules require be included in the Company’s annual proxy statement.

Authority

The Audit Committee has authority to conduct or authorize investigations into any matters within its scope of responsibility. It is empowered to:

1. Appoint, compensate, retain and oversee the work of the public accounting firm engaged to prepare or issue an audit report or perform other audit, review or attest services for the Company. This firm will report directly to the Committee.
2. Resolve any disagreements between management and the external auditor regarding financial reporting.
3. Pre-approve all auditing and permitted non-audit services performed by the Company’s external audit firm.
4. Delegate authority to the Committee Chair or subcommittees, including the authority to pre-approve all auditing and permitted non-audit services, provided that such decisions are presented to the full Committee at its next scheduled meeting.
5. Meet with Company officers, external auditors or outside counsel, as necessary.
6. Retain independent counsel or other advisers that the Committee determines are necessary to assist in the conduct of an investigation or to otherwise carry out its duties.
7. Seek any information it requires from employees or external parties, all of whom are directed to cooperate with the Committee’s requests.

The Company will provide for appropriate funding, as determined by the Committee, for payment of: (1) compensation to the public accounting firm engaged by the Committee, (2)

compensation to any advisers retained by the Committee and (3) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

Composition and Qualifications

The Audit Committee will consist of at least three members of the Board of Directors. The Board will appoint Committee members and the Committee chair on an annual basis, as soon as is practical following the annual meeting of shareholders of the Company. The Board shall also have the right to remove and/or replace any member of the Committee from time to time in its discretion.

Each Committee member (i) must be “independent,” as that term is defined by the rules and listing standards of the SEC and the NYSE, respectively, and (ii) must be “financially literate,” as such qualification is interpreted by the Board in its business judgment. At least one Committee member shall be an “audit committee financial expert,” as defined by applicable rules of the SEC. The Board shall assess the qualification of the members at the time of their appointment and review their qualification on an annual basis or more frequently as the circumstances dictate. The Company does not impose more stringent definitions of “independence” on the members than those adopted by the SEC and NYSE.

No Committee member shall simultaneously serve on the audit committees of more than two other public companies unless the Board has made an affirmative determination that such member is able to effectively undertake the responsibilities of serving on the Committee in addition to his or her positions on such other audit committees.

Meetings

The Committee will meet at least four times a year, with authority to convene additional meetings, as circumstances require. All Committee members are expected to attend each meeting, in person or via tele-conference or video-conference; however, a quorum shall consist of a majority of the members and the Committee is empowered to authorize an individual Committee member to perform such reviews and take such actions as are not prohibited by applicable law and regulations. The Committee will invite members of management, auditors or others to attend meetings and provide pertinent information, as necessary. It will meet separately, periodically, with management, with internal auditors and with external auditors. Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials. Minutes will be prepared.

Responsibilities

The Committee will carry out the following responsibilities:

1. Financial Statements
 - a. Review significant accounting and reporting issues and understand their impact on the financial statements. These include (1) complex or unusual transactions and highly judgmental areas, (2) major issues regarding accounting principles and financial

statement presentations, including any significant changes in the Company's selection or application of accounting principles and (3) the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company.

- b. Review analyses prepared by management and/or the independent auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of all material alternative accounting treatments within GAAP on the financial statements.
- c. Review with management and the external auditors the results of the audit, including any difficulties encountered. This review will include any restrictions on the scope of the independent auditor's activities or on access to requested information and any significant disagreements with management.
- d. Discuss the annual audited financial statements and quarterly financial statements with management and the external auditors, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations" (the "MD&A"), and recommend to the Board that such financial statements and MD&A be included in the Company's Forms 10-K and 10-Q, and provide the audit committee report to be included in the Company's annual proxy statement.
- e. Review disclosures made by the CEO and CFO during the Forms 10-K and 10-Q certification process about significant deficiencies in the design or operation of internal controls over financial reporting or any fraud that involves management or other employees who have a significant role in the Company's internal controls over financial reporting.
- f. Discuss the Company's earnings press releases (particularly the use of "pro forma," or "adjusted" non-GAAP, information), as well as financial information and earnings guidance, if any, provided to analysts and rating agencies. This review may be general (i.e. the types of information to be disclosed and the type of presentations to be made). The Committee does not need to discuss each release in advance.

2. Internal Control

- a. Consider the effectiveness of the Company's internal control system.
- b. Understand the scope of internal and external auditors' review of internal control over financial reporting and obtain reports on significant findings and recommendations, together with management's responses.
- c. Monitor compliance with the Code of Business Conduct and Ethics of the Company to the extent required by applicable law or regulation or delegated to the Committee in policies adopted by the Company.

3. Internal Audit

- a. Review internal audit plans, activities, staffing, independence, authority and organizational structure.
- b. Ensure there are no unjustified restrictions or limitations on, and review and concur in the appointment, replacement or dismissal of the Company's head of Internal Audit.
- c. Discuss regularly risk management processes and system of internal control with management and internal audit.
- d. On a regular basis, meet separately with internal audit.

4. External Audit

- a. Review the external auditor's proposed audit scope and approach.
- b. Review the performance of the external auditors and exercise final approval on the appointment or discharge of the auditors. In performing this review, the Committee will:
 - At least annually, obtain and review a report by the independent auditor describing: the firm's internal quality-control procedures; any material issues raised by the most recent quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm and any steps taken to deal with any such issues; and all relationships between the independent auditor and the Company.
 - Take into account the opinions of management and internal audit.
 - Review and evaluate the lead partner of the independent auditor.
 - Present its conclusions with respect to the external auditor to the Board.
- c. Ensure the rotation of the lead audit partner and concurring partner every five years and other audit partners other than the lead partner and concurring partner every seven years, and consider whether there should be regular rotation of the audit firm itself.
- e. Set clear hiring policies for any candidate for employment by the Company who is an employee or former employee of the independent auditors. In accordance with Section 10A of the Securities Exchange Act of 1934, as amended, it shall be the Company's policy to not hire or employ any chief executive officer, controller, chief financial officer, chief accounting officer, or any person serving in an equivalent position for the Company, who was previously employed by the

Company's external auditor and participated in any capacity in an audit of the Company, unless such participation was more than one year preceding (i) the date of the initiation of any 4audit in progress when the candidate is hired, and (ii) the anticipated date of initiation of any future audit by the external auditor.

- f. Review regularly with the external auditors any audit problems or difficulties and management's response.
- g. On a regular basis, meet separately with external auditors.

5. Compliance

- a. Review the Company's system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up of any instances of noncompliance.
- b. Carry out the procedures delegated to the Committee by the Board for: (1) the receipt, retention and treatment of complaints received by the Company regarding the accounting, internal accounting controls or auditing matters; and (2) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or audit matters.
- c. Review the findings of any material examinations by regulatory agencies and any material auditor observations.
- d. Review, approve or ratify related party transactions in accordance with the Company's Statement of Policy with respect to Related Party Transactions.

6. Reporting Responsibilities

- a. Regularly report to the Board of Directors about the Committee's activities and any material issues the Committee observes with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance and independence of the Company's independent auditors and the performance of the internal audit function.
- b. Report annually to the shareholders, describing the Committee's composition, responsibilities and how they were discharged and any other information required by rule, including approval of non-audit services.
- c. Review any other reports the Company issues that relate to Committee responsibilities.

7. Other Responsibilities

- a. Discuss the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures. Although the Committee is not required to be the sole body responsible for risk assessment and management, the Committee must discuss guidelines and policies to govern the process by which risk assessment and management is undertaken.
- b. Perform other activities related to this charter as requested by the Board of Directors.
- c. Institute and oversee special investigations as needed.
- d. Review and assess the adequacy of the Committee charter annually, request Board approval for proposed changes and ensure appropriate disclosure as may be required by law or regulation.
- e. Confirm annually that all responsibilities outlined in this charter have been carried out.
- f. Conduct an annual self-performance evaluation of the Committee.

Limitations on Scope and Responsibility

The Committee members serve on the Committee with the understanding on their part and the part of the Company's Board, management, external auditors and internal auditors that:

1. Committee members are not employees or officers of the Company and are not directly involved in the Company's daily operations and do not serve on a full-time basis.
2. Committee members expect the Company's management, external auditors and internal auditors to provide the Committee with prompt and accurate information, so that the Committee can discharge its duties properly.
3. To the extent permitted by law, the Committee is entitled to rely on the information and opinions of the persons and entities noted above in carrying out its responsibilities.

The Committee members, in adopting this charter and in agreeing to serve on the Committee, do so in reliance on, among other things, the provisions of the Company's Amended and Restated Articles of Corporation which:

1. Together with the Company's By-laws, provide indemnification for their benefit; and
2. Provide that, to the fullest extent provided by law, no director shall be liable to the Company or its shareholders for monetary damages for breach of fiduciary duty as a director.