



**BOSTON PIZZA ROYALTIES INCOME FUND**

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**NOTICE OF ANNUAL GENERAL MEETING OF UNITHOLDERS**

**AND**

**INFORMATION CIRCULAR**

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**ANNUAL GENERAL MEETING**

**TO BE HELD ON**

**JUNE 30, 2020**

**BOSTON PIZZA ROYALTIES INCOME FUND  
NOTICE OF ANNUAL GENERAL MEETING OF UNITHOLDERS**

**NOTICE IS HEREBY GIVEN** to holders (“**Unitholders**”) of trust units and special voting units of **BOSTON PIZZA ROYALTIES INCOME FUND** (the “**Fund**”) that the annual general meeting of Unitholders (the “**Meeting**”) will be held at the Westin Wall Centre Vancouver Airport Hotel, 3099 Corvette Way, Richmond, British Columbia on Tuesday, June 30, 2020 at 2:00 p.m. (Vancouver Time) for the following purposes:

1. to receive the audited financial statements of the Fund for the financial years ended December 31, 2019 and 2018 and the report of the auditor thereon;
2. to appoint the auditor for the Fund for the ensuing year and to authorize the trustees of the Fund to fix the remuneration of the auditor;
3. to elect trustees of the Fund to hold office until the next annual general meeting of the Fund; and
4. to transact such other business as may properly come before the Meeting or any adjournment or postponement thereof.

Accompanying this Notice of Meeting are: (i) the information circular in respect of the Meeting; (ii) the form of proxy for use by Unitholders in connection with the Meeting; and (iii) the reply card for use by Unitholders who wish to receive the annual and/or interim financial statements of the Fund and of Boston Pizza International Inc.

The Amended and Restated Declaration of Trust of the Fund dated December 7, 2010 requires that the Fund hold an “in person” annual general meeting. Accordingly, certain Trustees of the Fund and officers of Boston Pizza GP Inc. will be attending the Meeting in person at the originally announced location for purposes of establishing quorum and voting the valid proxies received. This year, out of an abundance of caution to proactively deal with the unprecedented public health impact of COVID-19 and to mitigate risks to the health and safety of unitholders, colleagues, employees, stakeholders and other communities, **the Trustees of the Fund strongly encourage all Unitholders to vote prior to the Meeting via proxy and to not attend the Meeting in person. Your vote via proxy must be received before 2:00 p.m. (Vancouver time) on June 29, 2020.**

To facilitate Unitholders not attending the Meeting in person, the Fund will be broadcasting the Meeting via telephone conference call. To listen to the Meeting via teleconference, please dial **1-800-319-4610 or 604-638-5340** approximately ten minutes prior to the commencement of the Meeting. Unitholders listening to the Meeting via teleconference will not be permitted to vote through the telephone conference call, but will be permitted to ask questions of management.

The accompanying information circular provides detailed information relating to the above matters, including instructions on how to vote on the matters set out above.

DATED this 1<sup>st</sup> day of May, 2020.

**BOSTON PIZZA ROYALTIES INCOME FUND,  
by its Administrator,  
BOSTON PIZZA ROYALTIES LIMITED  
PARTNERSHIP,  
by its managing general partner,  
BOSTON PIZZA GP INC.**



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MARC GUAY  
Chair of the Board of Trustees

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## BOSTON PIZZA ROYALTIES INCOME FUND

### INFORMATION CIRCULAR

DATED May 1, 2020

(Containing information as at May 1, 2020 unless otherwise noted)

### SOLICITATION OF PROXIES

This Information Circular is furnished in connection with the solicitation of proxies by the management of Boston Pizza GP Inc. (the “**General Partner**” or “**GP**”), the managing general partner of Boston Pizza Royalties Limited Partnership (“**Royalties LP**” or the “**Administrator**”), administrator to Boston Pizza Royalties Income Fund (the “**Fund**”), on behalf of the Fund, and is to be used at the annual general meeting or any adjournment or postponement thereof (the “**Meeting**”) of holders (“**Unitholders**”) of trust units (“**Units**”) and special voting units (“**Special Voting Units**”) of the Fund (collectively, the “**Voting Units**”) at the time and place and for the purposes set forth in the Notice of Annual General Meeting of Unitholders (“**Notice of Meeting**”) accompanying this Information Circular.

It is expected that the solicitation will be primarily by mail. Proxies may also be solicited personally or by telephone, e-mail, fax or other means of telecommunication by directors, officers or employees of the General Partner at nominal cost. The cost of this solicitation will be borne by the Administrator.

### COVID-19

The Amended and Restated Declaration of Trust of the Fund dated December 7, 2010 requires that the Fund hold an "in person" annual general meeting. Accordingly, certain Trustees of the Fund and officers of Boston Pizza GP Inc. will be attending the Meeting in person at the originally announced location for purposes of establishing quorum and voting the valid proxies received. This year, out of an abundance of caution to proactively deal with the unprecedented public health impact of COVID-19 and to mitigate risks to the health and safety of unitholders, colleagues, employees, stakeholders and other communities, **the Trustees of the Fund strongly encourage all Unitholders to vote prior to the Meeting via proxy and to not attend the Meeting in person. Your vote via proxy must be received before 2:00 p.m. (Vancouver time) on June 29, 2020.**

To facilitate Unitholders not attending the Meeting in person, the Fund will be broadcasting the Meeting via telephone conference call. To listen to the Meeting via teleconference, please dial **1-800-319-4610 or 604-638-5340** approximately ten minutes prior to the commencement of the Meeting. Unitholders listening to the Meeting via teleconference will not be permitted to vote through the telephone conference call, but will be permitted to ask questions of management.

### BENEFICIAL UNITHOLDERS

The information set forth in this section is important to all Unitholders. Unitholders who do not hold their Units in their own name are referred to in this Information Circular as “Beneficial Unitholders”. **Beneficial Unitholders should note that only a Unitholder whose name appears on the records of the Fund as a registered holder of Units or a person they appoint as a proxy can be recognized and vote at the Meeting.** Currently, all issued and outstanding Units are in a book-based system administered by CDS Clearing and Depository Services Inc. (“**CDS**”). Consequently, all Units are currently registered under the name of CDS & Co. (the registration name for CDS). All other holders of Units are Beneficial Unitholders. CDS also acts as nominee for brokerage firms through which Beneficial Unitholders hold their Units. **Units held by CDS can only be voted (for, withheld or against resolutions) upon the instructions of the Beneficial Unitholder.**

These meeting materials are being sent to both registered Unitholders and Beneficial Unitholders. If you are a Beneficial Unitholder, and the Fund or its agent has sent these materials directly to you, your name

and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the broker or other intermediary (collectively, the “**intermediary**”) holding Units on your behalf.

There are two kinds of Beneficial Unitholders: those who have objected to their name being made known to the Fund (called “**OBOs**” for Objecting Beneficial Owners) and those who have not objected (called “**NOBOs**” for Non-Objecting Beneficial Owners).

The Fund can request and obtain a list of their NOBOs from intermediaries via its transfer agent and can use this NOBO list for distribution of proxy-related materials directly to NOBOs. The Fund has decided to directly deliver proxy-related materials to its NOBOs. As a result, NOBOs can expect to receive a voting instruction form (a “**VIF**”) from the Fund’s transfer agent, Computershare Investor Services Inc. (“**Computershare**”).

NOBOs may deliver their voting instructions to Computershare by following the instructions on the VIF, which include the following methods:

By Mail: Complete, sign and date the VIF and return it to Computershare via mail at Computershare Investor Services Inc, Attention: Proxy Department, 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1.

By Telephone: Call toll-free 1-866-734-8683 from a touch tone phone, follow the instructions. You will need to provide your control number, which can be found on the VIF. You do not need to return your VIF.

By Internet: Go to [www.investorvote.com](http://www.investorvote.com) and following the instructions. You will need to provide your control number, which can be found on the VIF. You do not need to return your VIF.

By Smartphone: Scan the QR Code located on the VIF and follow the instructions on the Screen. You will need to provide your control number, which can be found on the VIF. You do not need to return your VIF.

**Your voting instructions via the VIF must be received before 2:00 p.m. (Vancouver time) on June 29, 2020.**

The transfer agent will tabulate the results of the voting instruction forms received from NOBOs and will provide appropriate instructions at the Meeting with respect to the Units represented by voting instruction forms they receive. The Fund is sending these materials to NOBOs directly under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”). By choosing to send these materials to you directly, the Fund (and not the intermediary holding Units on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the VIF.

With respect to OBOs, applicable regulatory policy requires intermediaries to whom meeting materials have been sent to seek voting instructions from OBOs in advance of Unitholders’ meetings. Every intermediary has its own mailing procedures and provides its own return instructions, which should be carefully followed by OBOs in order to ensure that their Units are voted at the Meeting. Often, the form of proxy supplied to an OBO by its broker is identical to that provided to registered Unitholders. However, its purpose is limited to instructing the registered Unitholder how to vote on behalf of the OBO. The majority of brokers delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”). Broadridge typically prepares a special voting instruction form, mails those forms to the OBOs and asks for and provides appropriate instructions respecting the voting of Units to be represented at the Meeting. **Management of the Fund intends to pay for intermediaries to forward to OBOs under NI 54-101 the proxy-related materials and Form 54-101F7 – Request for Voting Instruction Made by Intermediary. An OBO receiving a voting instruction form cannot use the form to vote Units directly at the Meeting.**

The voting instruction form must be returned to Broadridge or such other intermediary that provided the voting instruction form well in advance of the Meeting in order to have the Units voted.

**Beneficial Unitholders should carefully follow the voting instructions they receive, including those on how and when voting instructions are to be provided, in order to have their Units voted at the Meeting.**

#### APPOINTMENT OF PROXIES

The persons named in the accompanying form of proxy have been designated by the General Partner to act as proxyholder. A registered Unitholder who wishes to appoint some other person or company to represent such Unitholder at the Meeting may do so by inserting such person's name, who need not be a Unitholder, in the blank space provided in the form of proxy or by completing another proper form of proxy.

A form of proxy must be in writing and signed by the registered Unitholder or by the Unitholder's agent duly authorized in writing or, if the registered Unitholder is a body corporate, by a person duly authorized in writing indicating the capacity under which such person is signing. If the form of proxy is executed by an agent, evidence of the agent's authority must accompany the form of proxy. An undated but executed proxy will be deemed to be dated the date of mailing of the proxy. To be valid, a proxy must be deposited with Computershare Investor Services Inc., Attention: Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, by fax at 1-866-249-7775 (toll free in North America – Int'l 416-263-9524) or by telephone or internet as instructed on the form of proxy before 2:00 p.m. (Vancouver time) on June 29, 2020 or not less than 24 hours, excluding Saturdays, Sundays and holidays, before any adjournment or postponement thereof, unless the Chair of the Meeting elects to exercise his or her discretion to accept proxies received subsequently.

**Beneficial Unitholders who hold their Units through an intermediary are not entitled, as such, to directly vote at the Meeting. Beneficial Unitholders who are interested in voting their Units in person at the Meeting should contact either Computershare (NOBOs) or their intermediary (OBOs) to determine how this can be arranged. Regulatory policy requires voting instructions to be requested from Beneficial Unitholders who have been sent materials for the Meeting. Beneficial Unitholders should carefully follow those voting instructions received with this Information Circular in order to have their Units voted at the Meeting. See "Beneficial Unitholders".**

#### REVOCATION OF PROXIES

A Unitholder who has given a form of proxy may revoke it by depositing a written instrument that is signed with Computershare in the manner as described above, at any time prior to the date of the Meeting or by depositing the instrument with the Chair of the Meeting prior to the exercise of the proxy on the day of the Meeting. A proxy may also be revoked in any other manner permitted by law.

#### VOTING OF UNITS

Every matter to be dealt with at the Meeting, other than the vote to appoint the trustees of the Fund ("Trustees"), unless a poll vote is demanded, will be decided by a show of hands and every person present and entitled to vote will be entitled to one vote. Voting for the appointment of the Trustees will be conducted by poll. On a poll, each holder of Units will be entitled to one vote for each Unit held and each holder of Special Voting Units will be entitled to one vote for each Unit the holder would be entitled to receive if it exchanged the Class B general partner units of Royalties LP ("Class B Units"), the Class 2 general partner units of Boston Pizza Canada Limited Partnership (the "Class 2 GP Units"), Class 3 general partner units of Boston Pizza Canada Limited Partnership (the "Class 3 GP Units"), Class 4 general partner units of Boston Pizza Canada Limited Partnership (the "Class 4 GP Units"), and Class 5 general partner units of Boston Pizza Canada Limited Partnership (the "Class 5 GP Units", and together with the Class B Units, Class 2 GP Units, Class 3 GP Units and Class 4 GP Units, the "Exchangeable Units") held by such holder into Units on or before the applicable record date.

The persons designated in the enclosed form of proxy will vote or withhold from voting the Voting Units in respect of which they are appointed by proxy on any ballot that may be called for in accordance with the instructions of the registered Unitholder as indicated on the form of proxy and, if the registered Unitholder specifies a choice with respect to any matter to be acted upon, the Voting Units will be voted accordingly. In the absence of such instructions with respect to a particular resolution or where the instructions are uncertain, the Voting Units will be voted in favour of the resolution.

The enclosed form of proxy confers discretionary authority upon the person appointed proxy thereunder to vote with respect to amendments or variations of matters identified in the Notice of Meeting and with respect to other matters that 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 or any other business is 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 matters or business. At the time of printing this Information Circular, neither the General Partner, the Administrator, nor the Trustees knew of any such amendment, variation or other matter which may be presented to the Meeting.

### QUORUM

A quorum for the Meeting consists of two or more individuals present in person either holding personally or representing by proxy not less, in aggregate, than 25% of the votes attached to all outstanding Voting Units. In the event that a quorum is not present within 30 minutes after the time fixed for the Meeting, the Meeting will be adjourned to a day not less than 14 days later, at such time and place as determined by the Chair of the Meeting. If at such adjourned meeting a quorum as above defined is not present, the Unitholders present either in person or by proxy shall form a quorum and any business may be brought before or dealt with at such an adjourned meeting which might have been brought before or dealt with at the original meeting in accordance with the notice calling the same.

### VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

Only registered holders of Voting Units as at the close of business on May 1, 2020 (the “**Record Date**”), who either personally attend the Meeting or who have completed and delivered a form of proxy in the manner described herein, shall be entitled to vote or to have their Voting Units voted at the Meeting.

#### Units

As of the Record Date, 21,521,463 Units were issued and outstanding. On a show of hands, or via proxy, each Unitholder is entitled to one vote. On a poll or via proxy, each Unit carries the right to one vote per Unit held.

#### Special Voting Units

As of the Record Date, 359,193,322 Special Voting Units were issued and outstanding, all of which are held, directly and indirectly, by Boston Pizza International Inc. (“**BPI**”). On a show of hands, the holder of Special Voting Units is entitled to one vote. On a poll, the holder of Special Voting Units is entitled to one vote for each Unit that such holder would be entitled to receive in exchange for its Exchangeable Units if such Exchangeable Units had been exchanged for Units on or before the applicable record date.

As of the Record Date, BPI holds an aggregate of 2,872,800 Class B Units (indirectly through Boston Pizza Canada Holdings Partnership), 59,184,161 Class 2 GP Units (indirectly through Boston Pizza Canada Holdings Partnership), 100,000,000 Class 3 GP Units, 100,000,000 Class 4 GP Units, 100,000,000 Class 5 GP Units and 1,000 Class 6 GP Units, representing 100% of the issued and outstanding Class B Units, Class 2 GP Units, Class 3 GP Units, Class 4 GP Units, and Class 5 GP Units, respectively. As of the Record Date, such Class B Units and Class 2 GP Units are exchangeable for 2,423,886 Units and 828,753 Units, respectively, or 3,252,639 Units in aggregate, and such Class 3 GP Units, Class 4 GP Units and Class 5 GP Units are not exchangeable into Units. Accordingly, at the Meeting



the 359,193,322 Special Voting Units held, directly and indirectly, by BPI will entitle BPI to 3,252,639 votes on a poll.

### Voting Units

Except as described in this Information Circular, on each matter to be dealt with at the Meeting, the Units and Special Voting Units will vote together as a group. As of the Record Date, the issued and outstanding Voting Units entitle the holders to an aggregate of 24,774,102 votes on a poll.

To the knowledge of the Trustees and the officers of the General Partner on behalf of the Administrator to the Fund, the only persons or companies who beneficially own or exercise control or direction, directly or indirectly, over Voting Units carrying 10% or more of the voting rights attached to all outstanding Voting Units of the Fund as at the Record Date are as follows:

Name	Class of Voting Units and No. of Votes	% of Class / % of Aggregate Votes of Voting Units
BPI <sup>(1)</sup>	Special Voting Units representing 3,252,639 votes	100% of Special Voting Units / 13.1% of aggregate votes of Voting Units

<sup>(1)</sup> James Walter Treliving owns and controls BPI. In addition to the Units held by BPI, James Walter Treliving indirectly owns or controls an additional 13,000 Units.

## MATTERS TO BE ACTED UPON AT THE MEETING

### Presentation of Financial Statements

The audited consolidated financial statements of the Fund for the years ended December 31, 2019 and 2018 will be presented at the Meeting.

### Appointment and Remuneration of Auditor

Unless otherwise instructed, the proxies given pursuant to this solicitation will be voted for the appointment of KPMG LLP, chartered accountants, of Vancouver, British Columbia, as the auditor of the Fund to hold office until the close of the next annual general meeting of Unitholders or until a successor is appointed, and to authorize the Trustees to fix the remuneration of the auditor. The aggregate fees billed for professional services rendered by the Fund's auditor for the years ended December 31, 2019 and December 31, 2018 are as follows:

Type of Audit Fees	Fiscal 2019	% of Total Fees	Fiscal 2018	% of Total Fees
Audit Fees	118,000	73.6	114,500	73.2
Audit-Related Fees	33,078	20.6	33,078	21.1
Tax Fees	9,250	5.8	8,900	5.7
<b>Total</b>	<b>160,328</b>	<b>100.0</b>	<b>156,478</b>	<b>100.0</b>

Audit fees for 2019 and 2018 include fees related to the Fund's annual audit, quarterly reviews, accounting consultations and the audit of reported Franchise Sales.

Audit-related fees for 2019 and 2018 include fees related to internal control review, and review engagements and compilations related to certain of the Fund's subsidiaries and internal control review.

Tax fees for 2019 and 2018 are primarily for tax consultation services related to general tax consultation services and preparation of corporate income tax returns

**Unless otherwise instructed, the enclosed form of proxy will be voted in favour of the appointment of KPMG LLP as the Fund’s auditor and to authorize the Trustees to fix the remuneration of the auditor.**

### **Election of Trustees**

Each of the persons elected at the Meeting as a Trustee of the Fund will hold office until the next annual general meeting of the Fund or until the Trustee’s successor is duly elected or appointed in accordance with the Amended and Restated Declaration of Trust of the Fund dated December 7, 2010 (the “**Declaration of Trust**”), unless such Trustee resigns or is otherwise removed from office earlier. **Unless otherwise instructed, the enclosed form of proxy will be voted in favour of the election of the three individuals who are nominated for election as Trustees.**

The Fund has adopted a majority voting policy with respect to the election of the Trustees, and each of the nominees for election as a Trustee has agreed to comply with this policy. Pursuant to this policy, if any nominee to act as a Trustee receives a greater number of votes “withheld” than votes “for” the nominee, the nominee will submit his or her resignation to the Board of Trustees (the “**Board**”). The Board will decide whether to accept the resignation and will issue a press release announcing this decision (and, if the resignation is not accepted, providing an explanation of its decision) within 90 days of the Meeting. The Trustee in question will not participate in any meeting of the Board where the resignation is considered. The Fund’s majority voting policy will not apply in respect of a contested meeting, being one where proxy material is circulated in support of one or more nominees who are not part of the proposed nominees supported by the existing Board.

The following table sets forth certain information with respect to the three persons nominated for election as Trustees, including the number of Units beneficially owned or over which control or direction is exercised, directly or indirectly as at the date of this Information Circular. The information as to Units beneficially owned has been furnished by the respective nominees individually.

<b>Name, Province and Country of Residence, and Age</b>	<b>Present Principal Occupation, Business or Employment</b>	<b>Trustee since</b>	<b>Units beneficially owned, controlled or directed</b>
David L. Merrell, FCPA, FCA <sup>(1)</sup> BC, Canada Age 73	Trustee of the Fund from June 2014 to present; Corporate Director from June 2014 to present; Self-employed consultant to Grant Thornton LLP, arbitrator, estate trustee from November 2009 to present; Accountant and managing partner of the Vancouver, BC Office of Grant Thornton LLP until his retirement from active practice in 2009	June 11, 2014	7,500
Marc Guay <sup>(1)</sup> , ON, Canada Age 61	Trustee of the Fund from June 2018 to present; Corporate Director from 2016 to present; Executive Advisor with Presidents of Enterprising Organizations from 2016 to present; President of PepsiCo Foods Canada Inc. from 2008 to 2015; President of Frito Lay Canada Inc. from 2001 to 2008	June 21, 2018	7,500

Name, Province and Country of Residence, and Age	Present Principal Occupation, Business or Employment	Trustee since	Units beneficially owned, controlled or directed
Paulina Hiebert, B.Comm, LL.B., MBA <sup>(1)</sup> AB, Canada Age 59	Trustee of the Fund from June 2019 to present; Vice Chair, Board of Directors, Alberta Credit Union Deposit Guarantee Corporation from December 2016 to present; Vice President, Legal and Corporate Secretary of The Northwest Company Inc. from 2009 to 2017; Vice President, Legal and Corporate Secretary of The Brick Group Income Fund from 2002 to 2009; Associate Counsel of ATB Financial from 1997 to 2002	June 19, 2019	----

(1) Members of the Audit Committee and the Governance, Nominating and Compensation Committee of the Fund and the General Partner.

The following are brief profiles of the three persons nominated for election as Trustees:

**David L. Merrell:** Mr. Merrell articulated in Winnipeg and obtained his Chartered Accountant designation in 1971. He joined what is now Grant Thornton LLP in 1978. He specialized in taxation for 16 years with the balance of his career dedicated to general audit, accounting and financial practice. In addition, Mr. Merrell served two three-year terms on Grant Thornton LLP's Policy Board, served as a Director of Grant Thornton Productivity Improvement Inc. and was managing partner of both the Winnipeg and Vancouver offices and of the BC region. Mr. Merrell has served on a number of professional committees including the Council of the Manitoba CA Institute, the National Firms Committee, the Professional Conduct and the Discipline Tribunal and Chaired the Taxation Committee of Manitoba. In 2006, Mr. Merrell was elected as a Fellow of the Institute of Chartered Accountants (FCA) in British Columbia. He has also served on the Board of Directors of many organizations including Chair of the Multiple Sclerosis Society BC and Yukon Division, Director of the MS Society of Canada and Chair of the Vancouver Summer Music Festival.

**Marc Guay:** Mr. Guay was the President of PepsiCo Foods Canada Inc. and retired in 2015 after a career spanning 29 years. Over his career with PepsiCo, he held various positions in sales and general management throughout Canada and the United States. Mr. Guay was appointed the President of Frito Lay Canada Inc. in 2001 and held that position until 2008. From 2008 until his retirement in 2015, he was the President of PepsiCo Foods Canada Inc. Mr. Guay currently serves on the board of Metro Inc. (2016 to present). He previously served on the boards of Food Banks Canada (2011 – 2019), The Grocery Foundation (2009 – 2011), the Canadian Council for Aboriginal Business (2003 – 2006), Food and Consumer Products of Canada (2001 – 2014) and the Breast Cancer Society of Canada (2017). Since 2016, Mr. Guay has also been an Executive Advisor with Presidents of Enterprising Organizations. Mr. Guay holds a Bachelor's degree in Commerce from École des Hautes Études Commerciales (Université de Montréal) and completed an Advanced Executive Program at the Kellogg School of Business at Northwestern University (Chicago). Mr. Guay is a graduate of the Directors Education Program of the Institute of Corporate Directors.

**Paulina Hiebert:** Ms. Hiebert is the former Vice President Legal and Corporate Secretary of The Northwest Company Inc., serving in this position from 2009 through 2017. Prior to that, Ms. Hiebert was the Vice President Legal and Corporate Secretary for The Brick Group Income Fund (2002 to 2009) and Vice President and Chief Compliance Officer for Trans Global Insurance Companies, the financial services segment of The Brick Group (2004 to 2009). She began her legal career in 1994 with Milner Fenerty (now Dentons LLP) after holding senior finance positions in the banking, financial services and venture capital industries for 7 years (1984 to 1991). She left private practice in 1997 and joined ATB Financial as Associate Counsel, Legal Services, which position she held until 2002. Ms. Hiebert currently serves as

Vice Chair of the Board of Directors of the Alberta Credit Union Deposit Guarantee Corporation (2016 to present). Ms. Hiebert holds a Bachelor of Commerce degree and Bachelor of Laws degree (with distinction) from the University of Saskatchewan and a Masters of Business Administration degree (with distinction) from the Richard Ivey School of Business at the University of Western Ontario. She is a member of the Law Society of Alberta and the Law Society of Manitoba.

None of the nominees for election as a Trustee named above are or have been during the past ten years:

- (a) a director, chief executive officer or chief financial officer of any issuer (including the Fund) that:
  - (i) was subject to a cease trade, similar order or an order that denied that issuer access to any exemptions under Canadian securities legislation, for a period of more than 30 consecutive days that was issued while the Trustee was acting in the capacity of a director, chief executive officer or chief financial officer;
  - (ii) was subject to a cease trade order, similar order or order that denied the relevant issuer access to any exemption under Canadian securities legislation for a period of more than 30 consecutive days that was issued after the Trustee ceased to be a director, chief executive officer or chief financial officer of the issuer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer;
- (b) a director or executive officer of any issuer (including the Fund) while that person was acting in that capacity 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 or receiver manager or trustee appointed to hold its assets except for Mr. Marc Guay, who was a director of Trusted Health Group Inc. until May 13, 2016 for which a receiver was appointed on November 28, 2016; or
- (c) became 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 their assets.

In addition, none of the nominees for election as a Trustee named above has been subject to:

- (a) 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
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable unitholder in deciding whether to vote for a nominee as Trustee.

#### **Other Matters**

As of the date hereof, neither the Trustees nor the directors and officers of the General Partner, on behalf of the Administrator, know of any matter which will be brought before the Meeting other than those referred to herein.

#### **STATEMENT OF CORPORATE GOVERNANCE PRACTICES**

The Trustees and the directors and officers of the General Partner of the Administrator are aware of their responsibility for corporate governance and recognize the importance of enhancing corporate governance practices at both the Fund and Royalties LP levels. As part of the Fund's commitment to effective corporate governance, the Trustees, with the assistance of its Governance, Nominating and Compensation

Committee of the Fund (the “**GN&C Committee**”), monitor changes in corporate governance practices and regulatory requirements.

Pursuant to National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) the Fund is required to disclose certain information relating to its corporate governance practices. This information is set out in Schedule A to this Information Circular.

### **Role of the Trustees**

The Fund is a limited purpose, open-ended trust established under the laws of British Columbia. On July 17, 2002, concurrently with its initial public offering, the Fund acquired indirectly through Royalties LP certain trademarks and trade names used by BPI in the operation and franchising of Boston Pizza Restaurants in Canada. Immediately after the acquisition, Royalties LP licensed the trademarks and trade names back to BPI for 99 years under a license and royalty agreement dated July 17, 2002, as amended as of May 9, 2005 (the “**License and Royalty Agreement**”) pursuant to which Royalties LP receives royalty payments from BPI. On May 6, 2015, the Fund, indirectly through Boston Pizza Holdings Limited Partnership (“**Holdings LP**”), completed an investment in Boston Pizza Canada Limited Partnership (“**BP Canada LP**”) to effectively increase the Fund’s interest in franchise sales of Boston Pizza restaurants in the Fund’s royalty pool by 1.5%, from 4.0% to 5.5%, less the pro rata portion payable to BPI in respect of its retained interest (the “**Transaction**”). BP Canada LP is a limited partnership controlled and operated by BPI and is the exclusive franchisor of Boston Pizza restaurants in Canada. The Fund does not conduct any active business. The role of the Trustees is primarily to act on behalf of the Fund as sole unitholder and noteholder of Boston Pizza Holdings Trust (the “**Trust**”) and sole shareholder of Boston Pizza Holdings GP Inc. (“**Holdings GP**”), and to manage the affairs of the Fund. The role of the trustee of the Trust is to act on behalf of the Trust as the sole owner of the limited partner units of Holdings LP and to manage the affairs of the Trust. The role of the directors of Holdings GP is to act on behalf of Holdings GP, as the sole general partner of Holdings LP, who is the sole owner of limited partner units of Royalties LP and BP Canada LP, and to manage the limited affairs of Holdings GP and Holdings LP.

In managing the affairs of the Fund, the Trustees are responsible for: (i) approving distributions to Unitholders pursuant to section 5 of the Declaration of Trust; (ii) supervising the activities and investments and to conduct the affairs of the Fund pursuant to section 10.2 of the Declaration of Trust; (iii) overseeing the Fund’s strategic direction; (iv) overseeing the performance of Royalties LP, as Administrator to the Fund under the Administration Agreement (defined below); (v) overseeing BPI’s performance of its obligations under the License and Royalty Agreement; (vi) overseeing the Fund’s contractual obligations under any material contract; (vii) monitoring BPI’s business, including its strategy, activities, initiatives, results, operations, business plans, budgets and prospects; (viii) reviewing BPI’s quarterly and annual financial reporting, BPI’s SRS sensitivity and cash balance analysis, debt and interest rate summary and BPI’s analysis of its ability to exercise any ratchet; (ix) reviewing and approving the budget for the Fund for the ensuing fiscal year; (x) reviewing reports from the Audit Committee of the Fund (the “**Audit Committee**”) and approving, on the recommendation from the Audit Committee, the Fund’s quarterly and annual financial reporting and press releases; (xi) reviewing reports from the GN&C Committee on corporate governance matters and approving recommendations from the GN&C Committee that require Board approval; (xii) developing and monitoring the Fund’s approach to the corporate governance issues of the Fund and the Fund’s approach to compliance with applicable laws, regulations, rules and policies with respect to corporate governance issues and implement and administer the system to ensure good corporate governance practices; and (xiii) developing procedures relating to the conduct of the Board’s business and the fulfillment of the Board’s responsibilities.

The Fund also has contractual rights to receive reports on and inspect and monitor aspects of BPI’s business. The purpose of these contractual rights are to protect the Fund’s sources of revenue, which are dependent on (a) the protection of the intellectual property assets of Royalties LP; (b) BPI’s ability to pay the royalty under the License and Royalty Agreement; and (c) BP Canada LP’s ability to pay distributions. Neither the Trustees, nor the Fund, have the authority to manage or direct the business of BPI.

Guidelines, structure and policies for the Board have been established and are attached hereto at Schedule B.

## **The Governance, Nominating and Compensation Committee of the Fund**

The Fund formed its GN&C Committee on February 12, 2020, which deals with the governance matters addressed in National Policy 58-201 – *Corporate Governance Guidelines* (“**NI 58-201**”). The Fund has established the GN&C Committee to (i) monitor the governance of the Board, (ii) develop methods of enhancing corporate performance, (iii) assess and make recommendations regarding Board effectiveness, (iv) establish a process for identifying, recruiting and recommending candidates for membership on the Board, (v) implement and administer a system to ensure the Fund develops and maintains good corporate governance practices, and (vi) assess and make recommendations regarding Trustee compensation.

## **Audit Committee of the Fund**

The purpose of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities with respect to the Fund by reviewing the financial information which is provided to Unitholders, the systems of corporate financial controls which the Board has established and the audit process.

More specifically the purpose of the Audit Committee, in respect of its duties to the Fund, is to satisfy itself that:

- (a) the Fund's annual financial statements are fairly presented in accordance with international financial reporting standards and to recommend to the Board, whether the annual financial statements should be approved;
- (b) the information contained in the Fund's quarterly financial statements, the Fund's annual report to Unitholders and other financial publications, such as management's discussion and analysis, is complete and accurate in all material respects and to recommend to the Board whether these materials should be approved;
- (c) the Fund has appropriate systems of internal control over the safeguarding of assets and financial reporting to ensure compliance by the Fund with legal and regulatory requirements;
- (d) the external audit functions with respect to the Fund have been effectively carried out and that any matter which the independent auditors wish to bring to the attention of the Board has been addressed. The Audit Committee will also recommend to the Board the reappointment or appointment of the auditor of the Fund and its remuneration; and
- (e) in performing its functions, the Audit Committee complies with the requirements of applicable rules and laws, including National Instrument 52-110 – *Audit Committees* and applicable exchange policies.

## **Board Renewal**

The Fund believes that the composition of the Board should reflect a balance between experience, learning and the need for fresh perspective, to ensure a balance between continuity and renewal at the Trustee level. Periodic refreshment of the Board fosters the sharing of diverse perspectives in the boardroom and the generation of new ideas and business strategies, balanced by the appropriate in-depth experience, knowledge and understanding of the Fund and BPI and their respective businesses. With the foregoing in mind, it is expected that each Trustee will have a tenure of approximately six to 10 years, and that at any given time, the Board should ideally be comprised of (i) one-third of the Trustees having less than three years of tenure, (ii) one-third of the Trustees having three to six years of tenure, and (iii) one-third of the Trustees having more than six years of tenure. The Board may depart from this tenure guideline if, after taking into account the Trustees' experience, skills and tenure, the Board determines that it is in the best interest of the Fund to depart from this tenure guideline.

## Diversity Policy

The Fund believes that it is in the best interest of the Unitholders for the Board to be diverse. The Board has taken note that good governance practices link diversity on boards with improved governance and financial performance and that gender diversity, in particular, is linked to improved financial decision making and overall governance. As such the board has adopted a written diversity policy.

The GN&C Committee is responsible for developing measurable objectives to implement the diversity policy and to measure its effectiveness. The Board, upon the recommendation of the GN&C Committee, determines annually on whether to set targets based on diversity (including gender) for the appointment of individuals to the Board.

The Board and the GN&C Committee will actively seek out diverse applicants for the pool of candidate appointments. The Board and the GN&C Committee shall strive to consider an equal number of male and female candidates. All Board nominations will ultimately be based on merit, and the most skilled and qualified candidates from the diverse candidate pool will be selected, taking into account the needs of the Board.

## Experience and Skills Matrix

The Board believes that it is necessary that Trustees possess the experience and skills required to effectively act in the best interests of Unitholders. The GN&C Committee and Board have developed the following experience and skills matrix to assess the Board's overall strengths and to assist in the Board's ongoing renewal process. The matrix is not intended to be an exhaustive list of each Trustee's experience or skills.

	Guay	Hiebert	Merrell
<b>Experience</b>			
Leadership – Senior Officer of a Public or large Private Company	✓	✓	✓
Prior or Current Public Board experience	✓	✓	✓
Prior or Current Private Board experience	✓	✓	✓
Board Governance	✓	✓	✓
Retail/Restaurant	✓	✓	✓
<b>Skills</b>			
Finance/Accounting	✓	✓	✓
Legal		✓	
Risk Management	✓	✓	✓
Human Resources	✓	✓	✓
Corporate – Social Responsibility	✓	✓	✓

## Trustee Self-Evaluation Process

The GN&C Committee is responsible for ensuring the effective governance oversight of the Fund. The GN&C Committee annually assesses the effectiveness of the Board, its committees and Trustee performance. In its assessment, the GN&C Committee considers the attendance of Trustees, the credentials of individual Trustees and the competencies of the overall Board in relation to the task at hand and comments on the effectiveness of each committee. The GN&C Committee conducts an annual, formal

assessment process to examine Board effectiveness and to make suggestions for improvement. The results from the responses to a self-evaluation questionnaire are tabulated and summarized by the Chair of the GN&C Committee and the Chair reports the results to the Board at the next regularly scheduled Board meeting, and time is set aside at that meeting for a full and comprehensive discussion of Board performance.

### **Administration Agreement**

The Fund, the Trust, Holdings GP and Holdings LP have delegated to Royalties LP under the amended and restated administration agreement dated September 22, 2008 (the “**Administration Agreement**”), summarized below, certain administrative duties that would otherwise fall upon the Trustees, the trustee of the Trust and the directors of Holdings GP.

Under the Administration Agreement, Royalties LP has agreed to provide or arrange for the provision of administrative services to the Fund, the Trust, Holdings GP and Holdings LP. With respect to the Fund the administrative services provided by Royalties LP include those necessary to: (i) ensure compliance by the Fund with continuous disclosure obligations under applicable securities legislation, including the preparation of financial statements relating thereto; (ii) provide investor relations services; (iii) provide or cause to be provided to Unitholders all information to which Unitholders are entitled under the Declaration of Trust, including relevant information with respect to income taxes; (iv) call and hold all meetings of Unitholders and distribute required materials, including notices of meetings and information circulars, in respect of all such meetings; (v) provide for the calculation of distributions to Unitholders; (vi) attend to all administrative and other matters arising in connection with any redemption of Units; (vii) ensure compliance with the Fund’s limitations on non-resident ownership; and (viii) meet general accounting and administrative needs. Royalties LP is obligated to pay all expenses incurred by it and attributable to the exercise of its duties in the administration of the Fund, the Trust, Holdings GP and Holdings LP and no fee is payable to Royalties LP for the services provided by it to the Fund, the Trust, Holdings GP or Holdings LP under the Administration Agreement.

### **Role of Royalties LP in Corporate Governance**

Since the Fund does not carry on an active business and since the responsibility for the administration and management of the day-to-day operations of the Fund has been delegated to Royalties LP, the governance matters addressed in NI 58-101 are matters also dealt with by Royalties LP, through the General Partner. The General Partner has the authority to manage the business and affairs of Royalties LP, including the authority to carry out Royalties LP’s obligations under the Administration Agreement. Thus, the Fund is managed and administered by Royalties LP which, in turn, is managed by the General Partner. Certain matters relating to the conduct of the business and affairs of the General Partner are provided for in an amended and restated governance agreement dated September 29, 2017 (the “**Governance Agreement**”) among BPI, the Fund, and certain of their associates and affiliates. BPI and the Fund are, respectively, 20% and 80% holders of the common shares of the General Partner. The relevant terms of the Governance Agreement are described below.

### **Governance Agreement**

Under the Governance Agreement, three of the directors of the General Partner are nominated by the Fund (each of whom may be a Trustee and must be “independent” within the meaning of section 1.2 of NI 58-101 in effect on September 29, 2017) and, for so long as BPI holds a 10% interest in the Fund, whether directly or indirectly through its Exchangeable Units, each of which are exchangeable for Units, two of the directors are nominated by BPI. In addition, the Governance Agreement provides for the establishment of an Audit Committee and a Governance, Nominating and Compensation Committee of the General Partner, each of which are to be comprised solely of nominees of the Fund.

As the General Partner of Royalties LP, the General Partner has the authority to manage the business and affairs of Royalties LP, including the authority to carry out Royalties LP’s obligations under the Administration Agreement. Thus, the Fund is managed and administered by Royalties LP which, in turn, is



managed by the General Partner. Certain matters relating to the conduct of the business and affairs of the General Partner are provided for in the Governance Agreement.

The names, province of residence and principal occupation for the five preceding years of the directors and officers of the General Partner are set out in the table below:

<b><u>Directors and Officers, Province of Residence</u></b>	<b><u>Office Held</u></b>	<b><u>Principal Occupation for Previous Five Years</u></b>
David L. Merrell, FCPA, FCA <sup>(1) (2)</sup> British Columbia, Canada	Director, June, 2014	Trustee of the Fund from June 2014 to present; Corporate Director from June 2014 to present; Self-employed consultant to Grant Thornton LLP, arbitrator, estate trustee from November 2009 to present; Accountant and managing partner of the Vancouver, BC Office of Grant Thornton LLP until his retirement from active practice in 2009
Marc Guay <sup>(1) (2)</sup> Ontario, Canada	Director, June, 2018	Trustee of the Fund from June 2018 to present; Corporate Director from 2016 to present; Executive Advisor with Presidents of Enterprising Organizations from 2016 to present; President of PepsiCo Foods Canada Inc. from 2008 to 2015; President of Frito Lay Canada Inc. from 2001 to 2008
Paulina Hiebert, B. Comm, LL.B., MBA <sup>(1) (2)</sup> Alberta, Canada	Director, June 2019	Trustee of the Fund from June 2019 to present; Vice Chair, Board of Directors, Alberta Credit Union Deposit Guarantee Corporation from December 2016 to present; Vice President, Legal and Corporate Secretary of The Northwest Company Inc. from 2009 to 2017; Vice President, Legal and Corporate Secretary of The Brick Group Income Fund from 2002 to 2009; Associate Counsel of ATB Financial from 1997 to 2002
Jordan Holm <sup>(3)</sup> British Columbia, Canada	Director, President November, 2017	President of BPI – November 2017 to present; Director of Investor Relations of BPI – May 2006 to January 2010; Vice President of Investor Relations of BPI January 2010 to October 2014; Senior Vice President, Investor Relations and Corporate Communications of BPI October 2014 to October 2016; Executive Vice President, Marketing and Communications of BPI October 2016 to November 2017
Michael Harbinson <sup>(3)</sup> Ontario, Canada	Director and Chief Financial Officer, May, 2019	Chief Financial Officer of BPI – May 2019 to present; Senior Finance Director of Recipe Unlimited Corporation – 2013 to 2019; Finance Director of Swiss Chalet, Harveys and Recipe Unlimited Corporation – 2010 to 2013

(1) Also a Trustee of the Fund.

(2) Nominee of the Fund and Member of the Audit Committee and the GN&C Committee.

(3) Nominee of BPI.

The Audit Committee of the General Partner is responsible for monitoring the General Partner and Royalties LP's financial reporting, accounting systems, internal controls and liaising with external auditors. The Governance, Nominating and Compensation Committee of the General Partner is responsible for,

among other things, overseeing the operations of Royalties LP, addressing any conflicts of interest between Royalties LP and BPI, annually reviewing the operations and performance of BPI and assisting the board of directors of the General Partner in establishing its approach to corporate governance issues and advising the board of directors of the General Partner in filling vacancies on its board. The corporate governance practices of the Fund and General Partner are discussed in detail in Schedule A to this Information Circular.

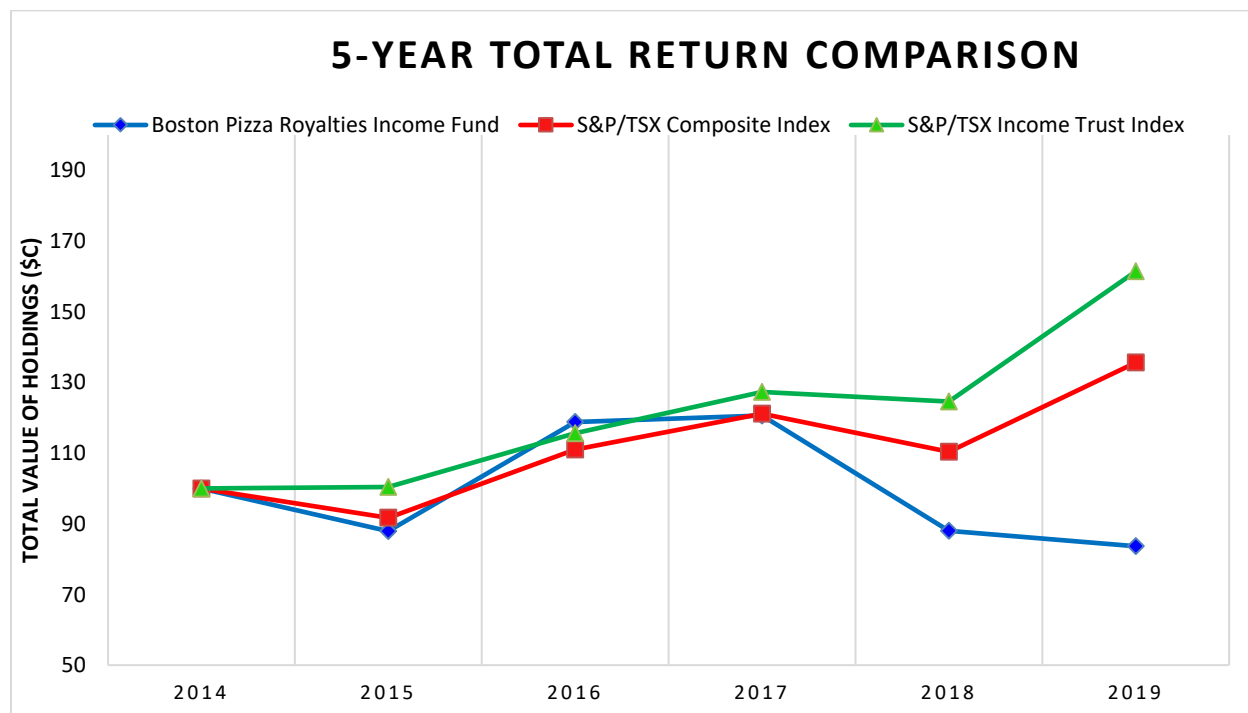
### MANAGEMENT CONTRACTS

As indicated above under the heading “Statement of Corporate Governance Practices – Administration Agreement”, the Fund has entered into the Administration Agreement whereby the Fund delegated to Royalties LP certain management functions of the Fund. Royalties LP is not entitled to the payment of any fee for its services as Administrator to the Fund. Under the amended and restated limited partnership agreement dated January 2, 2011, as amended on September 27, 2017, Royalties LP is entitled to delegate certain of its administrative services to third parties, including BPI as general partner of Royalties LP. Those third parties, including BPI, are entitled to be reimbursed by Royalties LP for their out-of-pocket costs for performing such services. The address of Royalties LP and the General Partner is 100 – 10760 Shellbridge Way, Richmond, BC, V6X 3H1.

### STATEMENT OF EXECUTIVE COMPENSATION

#### Cumulative Total Unitholder Return

The graph below shows the Fund’s cumulative total Unitholder return over the five most recently completed financial years (assuming reinvestment of distributions of Units).



## Compensation of Trustees and Directors of the General Partner

### Trustee/Director Compensation Table for the Financial Year Ended December 31, 2019

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total (\$)
(a)	(b)	(c)	(d)	(e)		(f)	(g)	(h)
W. Murray Sadler, Q.C., <sup>(1)</sup> Trustee of the Fund and Director of GP	39,500	0	0	0	0	0	0	39,500
David L. Merrell, Trustee of the Fund and Director of GP	72,500	0	0	0	0	0	0	72,500
Marc Guay, Trustee of the Fund and Director of GP	72,500	0	0	0	0	0	0	72,500
Paulina Hiebert, <sup>(2)</sup> Trustee of the Fund and Director of GP	41,333	0	0	0	0	0	0	41,333
Jordan Holm, Director of GP	0	0	0	0	0	0	0	0
Michael Harbinson, <sup>(3)</sup> Director of GP	0	0	0	0	0	0	0	0

(1) Mr. Sadler served as a Trustee of the Fund and a director of the General Partner from June 10, 2008 to June 19, 2019.

(2) Ms. Hiebert served as a Trustee of the Fund and a director of the General Partner from June 19, 2019 to present.

(3) Mr. Harbinson served as a director of the General Partner from July 1, 2019 to present.

Each of the Trustees is entitled to annual compensation of \$26,000 plus an additional \$1,000 for each regularly scheduled meeting of Trustees attended and \$500 for each extraordinary meeting of the Trustees attended, unless the extraordinary meeting is deemed to be substantive, as determined by the Chairman of such meeting, then each Trustee is entitled to \$1,000 for each extraordinary meeting of the Trustees attended. Each of the directors of the General Partner is entitled to annual compensation for their services as a director of \$26,000 per year plus an additional \$1,000 for attending each regularly scheduled meeting of the board of directors and \$500 for attending each extraordinary meeting of the board of directors or a committee of the board of directors, unless the extraordinary meeting is deemed to be substantive, as determined by the Chairman of such meeting, then each director is entitled to \$1,000 for each extraordinary meeting of the directors attended (in each case, except where the director attends a meeting of the Trustees on the same day and for which compensation is paid to that director). Each of the directors of the General Partner is reimbursed for general expenses as they arise from time to time. The aggregate amount paid to the Trustees as compensation, for acting as Trustees and directors of the General Partner, during the financial year ended December 31, 2019 was \$225,833. Neither of the officers of BPI who are directors of the General Partner are entitled to receive compensation for their roles as directors of the General Partner.

The Trustees are reimbursed for expenses such as travel and meals. In 2019 the Trustees were reimbursed an aggregate amount of \$19,406 for these expenses.

## No Additional Executive Compensation

Neither the Fund, nor the Administrator employs any person and no officer of the General Partner receives any compensation for holding any office. The Fund has not adopted any compensation plans under which equity securities of the Fund are authorized for issuance. The Fund does not prohibit the Trustees from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by a Trustee.

## Attendance Record for Board Meetings

From January 1, 2019 to December 31, 2019 (the “Attendance Period”):

- (i) the Board of Trustees held seven meetings;
- (ii) the Board of GP held five meetings;
- (iii) the Audit Committee of the Fund held four meetings;
- (iv) the Audit Committee of GP held four meetings; and
- (v) the Governance Committee of GP held 13 meetings.

Attendance at meetings of the Trustees was as follows:

NAME OF TRUSTEE	NUMBER OF MEETINGS ATTENDED	
	Board	Audit Committee
W. Murray Sadler, Q.C. <sup>(1)</sup>	3 of 3	2 of 2
David L. Merrell	7 of 7	4 of 4
Marc Guay	7 of 7	4 of 4
Paulina Hiebert <sup>(2)</sup>	4 of 4	2 of 2

(1) During the Attendance Period, Mr. Sadler served as a Trustee of the Fund from January 1, 2019 to June 19, 2019 and there were three Board meetings and two Audit Committee meetings.

(2) Ms. Hiebert was elected a Trustee of the Fund on June 19, 2019. During the Attendance Period, there were four Board meetings and two Audit Committee meetings while Ms. Hiebert served as a Trustee of the Fund.

Attendance at meetings of the Directors of GP was as follows:

NAME OF DIRECTOR	NUMBER OF MEETINGS ATTENDED		
	Board	Audit Committee	Governance, Nominating and Compensation Committee
W. Murray Sadler, Q.C. <sup>(1)</sup>	3 of 3	2 of 2	11 of 11
David L. Merrell	5 of 5	4 of 4	13 of 13
Marc Guay	5 of 5	4 of 4	13 of 13
Paulina Hiebert <sup>(2)</sup>	2 of 2	2 of 2	2 of 2
Jordan Holm	5 of 5	N/A	N/A
Robert Kirincic <sup>(3)</sup>	3 of 3	N/A	N/A
Michael Harbinson <sup>(4)</sup>	2 of 2	N/A	N/A

(1) During the Attendance Period, Mr. Sadler served as a director of GP from January 1, 2019 to June 19, 2019 and there were three Board meetings, two Audit Committee meetings and 11 Governance Committee meetings during such time.

(2) Ms. Hiebert was elected a director of the GP on June 19, 2019. During the Attendance Period, there were two Board meetings and two Audit Committee meetings while Ms. Hiebert served as a director of the GP.

(3) During the Attendance Period, Mr. Kirincic served as a director of the GP from January 1, 2019 to July 1, 2019 and there were three Board meetings during such time.

(4) Mr. Harbinson was elected a director of GP on July 1, 2019. During the Attendance Period, there were two Board meetings while Mr. Harbinson served as a director of GP.

#### **INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS AND SENIOR OFFICERS**

None of the Trustees, proposed nominees for election as Trustees, directors or officers of the General Partner, nor any associates of such persons is or has been indebted to the Fund or any of its subsidiaries or Royalties LP at any time since the beginning of the fiscal year ended December 31, 2019, nor have they been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Fund, Royalties LP or the General Partner.

#### **DIRECTORS' AND OFFICERS' LIABILITY INSURANCE**

The Trustees and the directors and officers of the General Partner are covered under the directors' and officers' insurance policy established by the Fund. The aggregate limit of liability applicable to those insured Trustees, directors and officers under the policy is \$15 million inclusive of defence costs. The policy will pay on behalf of the General Partner all losses for which the General Partner grants indemnification to such directors in excess of a deductible of \$100,000 for each loss. In addition, there is an excess "Side A" directors' and officers' policy in the amount of \$10 million. The premiums for the policies are paid by Royalties LP. For the policy year ending July 2020, the premiums for these policies were \$85,800.

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

None of the Trustees, directors or senior officers of the General Partner or of the Administrator to the Fund, nominees for election as Trustees nor persons who have been Trustees or directors or officers of the General Partner since the commencement of the Fund's last financial year and no associate or affiliate of any of the foregoing persons has any material interests, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, other than the election of Trustees or the appointment of auditors or as otherwise disclosed herein.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed in this Information Circular, the consolidated financial statements of each of the Fund and BPI for the fiscal years ended December 31, 2019 and 2018 and the Fund's annual information form dated February 12, 2020, the Fund is not aware of any direct or indirect material interest of any informed person, Trustee or proposed nominee for election as a Trustee, or any associate or affiliate of any such persons in any transaction since the commencement of the Fund's most recently completed financial year or any proposed transaction, which has materially affected or would materially affect the Fund or its subsidiaries. For the purposes of the foregoing an informed person includes the Trustees, directors and executive officers of the General Partner and any subsidiaries of the Fund, a holder of 10% or more of the outstanding Voting Units and the Fund. Copies of this Information Circular, the consolidated financial statements of each of the Fund and BPI for the fiscal years ended December 31, 2019 and 2018 and the Fund's annual information form dated February 12, 2020 may be found on SEDAR at [www.sedar.com](http://www.sedar.com), and, upon request by a Unitholder, may be obtained free of charge from the Chief Financial Officer of the General Partner on behalf of the Fund at 100 – 10760 Shellbridge Way, Richmond, British Columbia, Canada, V6X 3H1.

## ADDITIONAL INFORMATION

Additional information relating to the Fund is available on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information is provided in the Fund and BPI's respective comparative annual financial statements and related management's discussion and analysis for the year ended December 31, 2019. Copies of these documents may be obtained upon request from the Chief Financial Officer of the General Partner at 100 – 10760 Shellbridge Way, Richmond, British Columbia, Canada, V6X 3H1 or may be found at [www.bpincomefund.com](http://www.bpincomefund.com) or [www.sedar.com](http://www.sedar.com). A person who is not a Unitholder may be required to pay a reasonable charge for such copies.

## TRUSTEES' APPROVAL

The contents and the sending of this Information Circular and related documents have been approved by the Trustees of the Fund.

DATED at Vancouver, British Columbia, this 1<sup>st</sup> day of May, 2020.

**BOSTON PIZZA ROYALTIES INCOME FUND,  
by its Administrator,  
BOSTON PIZZA ROYALTIES LIMITED PARTNERSHIP,  
by its managing general partner,  
BOSTON PIZZA GP INC.**



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Marc Guay  
Chair of the Board

**SCHEDULE A**

**BOSTON PIZZA ROYALTIES INCOME FUND  
CORPORATE GOVERNANCE DISCLOSURE**

	<b>GOVERNANCE DISCLOSURE GUIDELINE UNDER NI 58-101</b>	<b>COMMENTS</b>
1.	<b>Board of Trustees -</b>	
	(a) Disclose the identity of trustees who are independent.	The board of Trustees (the “ <b>Board</b> ”) has determined that all of the three Trustees are “independent”, within the meaning of NI 58-101. The three independent Trustees are: <ul style="list-style-type: none"> <li>• David L. Merrell</li> <li>• Marc Guay</li> <li>• Paulina Hiebert</li> </ul>
	(b) Disclose the identity of trustees who are not independent, and describe the basis for that determination.	The Board has determined that all three Trustees are “independent” within the meaning of NI 58-101.
	(c) Disclose whether or not a majority of trustees are independent. If a majority of trustees are not independent, describe what the board of trustees does to facilitate its exercise of independent judgement in carrying out its responsibilities.	The Board has determined that all three Trustees are “independent” within the meaning of NI 58-101.
	(d) If a trustee is presently a trustee or director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the trustee and the other issuer.	Marc Guay, is currently a director of Metro Inc.
	(e) Disclose whether or not the independent trustees hold regularly scheduled meetings at which non-independent trustees and members of management are not in attendance. If the independent trustees hold such meetings, disclose the number of meetings held since the beginning of the issuer’s most recently completed financial year. If the independent trustees do not hold such meetings, describe what the board does to facilitate open and candid discussion among its independent trustees.	Since all the Trustees are independent, each meeting of the Board is a meeting comprised solely of independent trustees.  During the financial year ended December 31, 2019, there were five meetings of the independent Trustees, four meetings of the Fund’s Audit Committee and five meetings of the GP’s Governance, Nominating and Compensation Committee.  In addition, the members of the Board are authorized to retain independent financial, legal and other experts as required whenever, in their opinion, matters come before the Board which require such advice.
	(f) Disclose whether or not the chair of the board is an independent trustee. If the board has a chair or lead trustee who is an independent trustee, disclose the identity of the independent chair or lead trustee, and describe his or her role and responsibilities.	Marc Guay, the Chair of the Board (the “ <b>Chair</b> ”), is an independent Trustee.  The role and responsibilities of the Chair include the following: <ul style="list-style-type: none"> <li>• manage the affairs of the Board;</li> </ul>

	<b>GOVERNANCE DISCLOSURE GUIDELINE UNDER NI 58-101</b>	<b>COMMENTS</b>
	If the board has neither a chair that is independent nor a lead trustee that is independent, describe what the board does to provide leadership for its independent trustees.	<ul style="list-style-type: none"> <li>• act as chair of all Board meetings;</li> <li>• ensure that the Board has taken ultimate responsibility for the Fund's business and affairs and that the Board is alert to its obligations to the Fund, the Unitholders, other stakeholders and under the law;</li> <li>• provide strong leadership of the Board, assist the Board in reviewing and monitoring the aims, strategy, policy and directions of the Fund and the achievement of its objectives;</li> <li>• ensure that the Board considers the composition of the Board on an annual basis and recommends criteria for new Trustees when applicable;</li> <li>• ensure that Board meetings are conducted in an efficient, effective and focused manner; and</li> <li>• ensure that the GP's Governance, Nominating and Compensation Committee meets as required pursuant to the terms of the Governance Agreement.</li> </ul>
	(g) Disclose the attendance record of each trustee for all board meetings held since the beginning of the issuer's most recently completed financial year.	The attendance record of each Trustee for all Board meetings held for the period January 1, 2019 to December 31, 2019 is set out in this Information Circular under the heading "Statement of Executive Compensation – Attendance Record for Board Meetings".
2.	<b>Board Mandate</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's written mandate is contained within the Guidelines, Structure and Policies for the Board of Trustees, a copy of which is attached hereto as Schedule B.



	<b>GOVERNANCE DISCLOSURE GUIDELINE UNDER NI 58-101</b>	<b>COMMENTS</b>
3.	<b>Position Descriptions —</b>	
	(a) Disclose whether or not the board has developed written 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 chair of each board committee, briefly describe how the board delineates the role and responsibilities of each such position.	<p>The Board has developed a written position description for the Chair of the Board.</p> <p>No formal written position description has been developed for the Chair of the Audit Committee of the Fund, the Chair of the Audit Committee of GP, the Chair of the Governance, Nominating and Compensation Committee of the Fund or the Chair of the Governance, Nominating and Compensation Committee of GP. The role and responsibilities of the Chair of the Audit Committee of the Fund, the Chair of the Audit Committee of GP and the Chair of the Governance, Nominating and Compensation Committee of the Fund and the Chair of the Governance, Nominating and Compensation Committee of GP are delineated by the board of directors of the GP, in conjunction with the Trustees.</p>
	(b) Disclose whether or not the board and President have developed a written position description for the President. If the board and President have not developed such a position description, briefly describe how the board delineates the role and responsibilities of the President.	<p>The Fund does not conduct any active business nor does it have any full time employees. The day-to-day administrative needs of the Fund are managed by the GP on behalf of the Administrator. The corporate objectives of the GP are reviewed and approved by the board of directors of GP. All three Trustees are elected to the board of directors of GP.</p> <p>No formal written position description has been developed for the President of GP. The role and responsibilities of the President of GP are delineated by the board of directors of GP, in conjunction with the Trustees.</p>

	<b>GOVERNANCE DISCLOSURE GUIDELINE UNDER NI 58-101</b>	<b>COMMENTS</b>
4.	<b>Orientation and Continuing Education —</b>	
	<p>(a) Briefly describe what measures the board takes to orient new trustees regarding</p> <ul style="list-style-type: none"> <li>(i) the role of the board, its committees and its trustees, and</li> <li>(ii) the nature and operation of the issuer's business.</li> </ul>	<p>The Governance, Nominating and Compensation Committee of the Fund, from time to time, reviews, monitors and makes recommendations regarding new Trustee orientation and the ongoing development of existing Board members. The objective is to ensure that each Trustee:</p> <ol style="list-style-type: none"> <li>1. stays knowledgeable about BPI's products, services and industry;</li> <li>2. maintains a current understanding of the regulatory and legislative environment and the business, social and political environment within which BPI and the Fund operate;</li> <li>3. develops a familiarity and knowledge of the key officers and management group of BPI; and</li> <li>4. seeks independent advice from outside advisors when necessary.</li> </ol> <p>All new Trustees are provided with a baseline of knowledge about the Fund and its operating company which serves as a basis for informed decision-making. This includes a combination of written materials, meetings with senior management of the operating company, site visits and other briefings and training, as appropriate. All new Trustees are provided with a "Guidelines, Structure and Policies" mandate that sets out the responsibilities of the Board.</p>
	<p>(b) Briefly describe what measures, if any, the board takes to provide continuing education for its trustees. If the board does not provide continuing education, describe how the board ensures that its trustees maintain the skill and knowledge necessary to meet their obligations as trustees.</p>	<p>BPI provides Trustees with industry publications which can provide timely and appropriate information on BPI, the Fund and the general financial/economic climate, as well as ensuring that the Trustees' knowledge and understanding of the Fund's affairs remains current. Management of BPI also provide the Trustees with presentations on BPI's business.</p>

	<b>GOVERNANCE DISCLOSURE GUIDELINE UNDER NI 58-101</b>	<b>COMMENTS</b>
5.	<b>Ethical Business Conduct —</b>	
	<p>(a) Disclose whether or not the board has adopted a written code for the trustees, officers and employees. If the board has adopted a written code:</p> <p>(i) disclose how a person or company may obtain a copy of the code;</p> <p>(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</p> <p>(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 trustee or executive officer that constitutes a departure from the code.</p>	<p>The Board has adopted a Code of Ethics for Trustees (the "<b>Code</b>"). A copy of the Code may be obtained, upon request, from the Chief Financial Officer of GP at 100 – 10760 Shellbridge Way, Richmond, British Columbia, Canada, V6X 3H1. The most recent version of the Code was filed on SEDAR on April 24, 2018 and is available at <a href="http://www.sedar.com">www.sedar.com</a>.</p> <p>The Board expects the Trustees to act ethically at all times and to acknowledge their adherence to the policies comprising the Code. Any material issues regarding compliance with the Code are brought forward to the Chair of the Board at either the Board or appropriate committee meetings, or are referred to the President of BPI, as may be appropriate in the circumstances. The Board and/or appropriate committee or senior executive officers determine what remedial steps, if any, are required.</p>
	<p>(b) Describe any steps the board takes to ensure trustees exercise independent judgement in considering transactions and agreements in respect of which a trustee or executive officer has a material interest.</p>	<p>The Board has adopted a Conflict of Interest Policy for the Fund. It is anticipated that the Trustees and the directors of GP may from time to time pursue personal and private business interests and ventures and participate in other forms of decision-making organizations. In doing so, each Trustee of the Fund and directors of GP must adhere to the Conflict of Interest Policy to ensure that such activities do not conflict with the interests of the Fund and the GP.</p> <p>The Conflict of Interest Policy shall not relieve any Trustee of the Fund or director or officer of GP from complying with any applicable laws, statutes, regulations, by-laws and rules.</p> <p>This policy provides:</p> <ol style="list-style-type: none"> <li>1. Where, in the opinion of the Board, a conflict of interest exists or may arise, the Trustee of the Fund or director of GP with whom the conflict exists shall, upon request of the Board dispose of any ownership, interest or profit participation or become disassociated from the interest, venture or organization as may be directed.</li> <li>2. Each Trustee of the Fund and director of GP who participates in any transaction either as an individual or as a member of another organization which is of the kind of transaction in which the Fund engages, unless otherwise excused by the Board, shall promptly disclose such participation to the Board.</li> </ol>

	<b>GOVERNANCE DISCLOSURE GUIDELINE UNDER NI 58-101</b>	<b>COMMENTS</b>
		<p>3. Each Trustee of the Fund and each director of GP who has any material direct or indirect ownership, interest or profit participation in outside business enterprises who may have dealings with the Fund shall disclose such interest in writing as aforesaid to the Board.</p> <p>4. No Trustee of the Fund or director of GP shall accept any gift or hospitality of material value offered or tendered by virtue of their position with the Fund or GP. While expensive gifts and hospitality are never to be accepted, it should be borne in mind that materiality may be determined not only by worth, but by circumstances surrounding the giving and acceptance.</p> <p>5. Every Trustee of the Fund and director of GP shall, by June 30th of each year, complete the Conflict of Interest Statement and return it to the Board.</p> <p>6. No loans shall be made by the Fund or GP to any related party of the Fund or GP without the prior approval of the Board.</p>
	(c) Describe any other steps the board takes to encourage and promote a culture of ethical business conduct.	<p>The Board has reviewed and approved Disclosure Policy Controls and Procedures for the Fund, in order to promote consistent disclosure practices aimed at informative, timely and broadly disseminated disclosure of material information to the market, in accordance with applicable securities legislation.</p> <p>The Board has also reviewed and approved a Whistleblower Policy, to promote, among other things, the disclosure and reporting of any serious weaknesses which may affect the financial stability and assets of the Fund and BPI.</p>
6.	<b>Nomination of Trustees —</b>	
	<p>(a) Describe the process by which the board identifies new candidates for board nomination.</p> <p>(b) Disclose whether or not the board has a nominating committee composed entirely of independent trustees. If the board does not have a nominating committee composed entirely of independent trustees, describe what steps the board takes to encourage an objective nomination process.</p> <p>(c) If the board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.</p>	<p>The Governance, Nominating and Compensation Committee of the Fund develops and updates and makes recommendations to the Board regarding a long-term plan for the composition of the Board that takes into consideration the current strengths, skills and experience on the Board, retirement dates and the strategic direction of the Fund. The objective of this review is to maintain the composition of the Board in a way that provides, in the judgement of the Board, the best mix of competencies, skills and experience to provide for the overall stewardship of the Fund. All Trustees serving on the Governance, Nominating and Compensation Committee of the Fund comprising the Board are independent.</p>

	<b>GOVERNANCE DISCLOSURE GUIDELINE UNDER NI 58-101</b>	<b>COMMENTS</b>
7.	<b>Compensation —</b>	
	<p>(a) Describe the process by which the board determines the compensation for the issuer's trustees and officers.</p> <p>(b) Disclose whether or not the board has a compensation committee composed entirely of independent directors. If the board does not have a compensation committee composed entirely of independent trustees, describe what steps the board takes to ensure an objective process for determining such compensation.</p> <p>(c) If the board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.</p>	<p>The Board has determined that the Trustees should be compensated in a form and amount which is appropriate and which is customary for comparative organizations, having regard for such matters as time commitment, responsibility and trends in trustee compensation.</p> <p>The Fund has no officers or employees and is managed by the General Partner on behalf of Royalties LP pursuant to the Administration Agreement. The Governance, Nominating and Compensation Committee of the Fund, which is comprised of all independent Trustees, annually reviews the compensation of the Trustees and the directors of GP, and makes recommendations to the Board for its approval.</p>
8.	<b>Other Board Committees —</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>Assessments —</b> Disclose whether or not the board, its committees and individual trustees 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 trustees are performing effectively.	The Governance, Nominating and Compensation Committee conducts annual Board, committee and individual trustee assessments. The objective of the assessments is to ensure the continued effectiveness of the Board in the execution of its responsibilities and to contribute to a process of continuing improvement. Additionally, the Board receives periodic feedback from BPI on its overall performance, effectiveness and contribution of the Board and each committee, the Chair and each Trustee, and reporting on such assessments to the Board.
10.	<b>Trustee Term Limits and Other Mechanisms of Board Renewal —</b> Disclose whether or not the issuer has adopted term limits for the trustees on its board or other mechanisms of board renewal and, if so, include a description of those trustee term limits or other mechanisms of board renewal. If the issuer has not adopted trustee term limits or other mechanisms of board renewal, disclose why it has not done so.	In order to ensure periodic refreshment of the Board, as a means to foster the sharing of diverse perspectives in the boardroom and the generation of new ideas and business strategies, balanced by the appropriate in-depth experience, knowledge and understanding of the Fund and BPI and their respective businesses, the Fund has adopted a guideline under which it is expected that each Trustee will have a tenure of approximately six to 10 years, and that at any given time, the Board should ideally be comprised of (i) one-third of the Trustees having less than three years of tenure, (ii) one-third of the Trustees having three to six years of tenure, and (iii) one-third of the Trustees having more than six years of tenure. The Board may depart from this tenure guideline if after taking into account the Trustees' experience, skills and tenure, the Board

	<b>GOVERNANCE DISCLOSURE GUIDELINE UNDER NI 58-101</b>	<b>COMMENTS</b>
		determines that it is in the best interest of the Fund to depart from this tenure guideline.
11.	<p><b>Policies Regarding the Representation of Women on the Board —</b></p> <p>(a) Disclose whether the issuer has adopted a written policy relating to the identification and nomination of women trustees. If the issuer has not adopted such a policy, disclose why it has not done so.</p> <p>(b) If an issuer has adopted a policy referred to in (a), disclose the following in respect of the policy:</p> <p>(i) a short summary of its objectives and key provisions,</p> <p>(ii) the measures taken to ensure that the policy has been effectively implemented,</p> <p>(iii) annual and cumulative progress by the issuer in achieving the objectives of the policy, and</p> <p>(iv) whether and, if so, how the board or its nominating committee measures the effectiveness of the policy.</p>	<p>The Fund has adopted a Diversity Policy relating to the identification and nomination of diverse Trustees. The Fund will actively seek out diverse applicants for the pool of candidate appointments, and shall strive to consider an equal number of male and female candidates. All Trustee nominations will ultimately be based on merit, and the most skilled and qualified candidates from the diverse candidate pool will be selected, taking into account the needs of the Board. In addition, the Board has developed an objective to increase gender diversity on the Board, which is to be measured by the proportion of women Trustees on the Board. Currently, the Board has one female Trustee (representing 33% of the Trustees), and if all of management's nominees for election as Trustees of the Fund are elected at the Meeting, the Board will have one female Trustee (representing 33% of the Trustees).</p> <p>The Board, through the Governance, Nominating and Compensation Committee, will monitor, on an ongoing basis, the implementation and effectiveness of the Diversity Policy and will, at least annually, assess: (i) the mix of diversity, skill and expertise on the Board, (ii) the measurable objectives set pursuant to the Diversity Policy, and (iii) progress in achieving such measurable objectives, including any targets, if set.</p> <p>The Board, through the Governance, Nominating and Compensation Committee, at least annually, will consider any revisions to the Diversity Policy that the Board believes would be appropriate.</p>

	<b>GOVERNANCE DISCLOSURE GUIDELINE UNDER NI 58-101</b>	<b>COMMENTS</b>
12.	<p><b>Consideration of the Representation of Women in the Trustee Identification and Selection Process</b> — 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>When considering the composition of, and individuals to nominate to, the Board, the Board considers diversity from a number of aspects, including but not limited to gender, age, ethnicity and cultural diversity. In addition, when assessing and identifying potential new members to join the Board, the Board considers the current level of diversity on the Board.</p>
13.	<p><b>Consideration Given to the Representation of Women in Executive Officer Appointments</b> — 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 officer appointments, disclose the issuer's reasons for not doing so.</p>	<p>The Fund does not have any executive officer positions, and accordingly this is not applicable.</p>
14.	<p><b>Issuer's Targets Regarding the Representation of Women on the Board and in Executive Officer Positions</b> —</p> <p>(a) 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.</p> <p>(b) 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.</p> <p>(c) 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.</p> <p>(d) If the issuer has adopted a target referred to in either (b) or (c), disclose:</p> <p>(i) the target, and</p> <p>(ii) the annual and cumulative progress of the issuer in achieving the target.</p>	<p>The Fund has not established a target for the representation of women on the Board by a specific date. The Fund does not have any executive officer positions. The Fund does not think it is appropriate to set targets due to the limited number of Trustee positions available. The Fund focuses its search for new Trustees primarily based upon the qualification, skills and experience of potential candidates; however, the Fund also gives consideration to diversity, including gender, when assessing potential candidates to serve as Trustees, pursuant to the Diversity Policy.</p> <p>Currently, the Board has one female Trustee (representing 33% of the Trustees), and if all of management's nominees for election as Trustees of the Fund are elected at the Meeting, the Board will have one female Trustee (representing 33% of the Trustees).</p>

	<b>GOVERNANCE DISCLOSURE GUIDELINE UNDER NI 58-101</b>	<b>COMMENTS</b>
15.	<p><b>Number of Women on the Board and in Executive Officer Positions —</b></p> <p>(a) Disclose the number and proportion (in percentage terms) of trustees on the issuer's board who are women.</p> <p>(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.</p>	<p>As at the date of this circular, one of the Trustees are women (representing 33% of the total number of Trustees).</p> <p>If all of management's nominees for election as Trustees of the Fund are elected at the Meeting, the Board will have one female Trustee (representing 33% of the total number of Trustees).</p> <p>As at the date of this circular, the Fund does not have any executive officers.</p>



**SCHEDULE B**  
**GUIDELINES, STRUCTURE AND POLICIES**  
**FOR THE BOARD OF TRUSTEES**

See Attached.

## **GUIDELINES, STRUCTURE AND POLICIES FOR THE BOARD OF TRUSTEES**

### **I. Role**

The amended and restated declaration of trust dated December 7, 2010 (the “**Declaration of Trust**”) governing the Boston Pizza Royalties Income Fund (the “**Fund**”) provides, pursuant to section 10.2, that the trustees of the Fund (the “**Trustees**”) are responsible for supervising the activities and investments and to conduct the affairs of the Fund. In fulfilling its responsibilities, the Declaration of Trust also provides that Trustees are obligated to “act honestly and in good faith with a view to the best interests of the Fund and in connection therewith shall exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances”.

Although many of the administrative and management duties of the Trustees have been delegated to Boston Pizza Royalties Limited Partnership (“**LP**”), as Administrator to the Fund, the Trustees remain responsible for supervising and directing the performance of such duties by Boston Pizza GP Inc. (“**GP**”) and Boston Pizza International Inc. (“**BPI**”) (the general partners of the LP) and for questioning and monitoring the management of GP and BPI in order to obtain the information necessary to judge whether the LP is fulfilling its role as Administrator effectively. In addition, the Trustees must satisfy those duties which have not been or cannot, under law or under the Declaration of Trust, be delegated to the LP, including the Trustee’s authority to approve distributions on units of the Fund.

The Fund also has contractual rights to receive reports on and inspect and monitor aspects of BPI’s business. The purpose of these contractual rights are to protect the Fund’s sources of revenue, which are dependent on (a) the protection of the intellectual property assets of LP; (b) BPI’s ability to pay the royalty; and (c) Boston Pizza Canada Limited Partnership’s ability to pay distributions. Neither the Trustees, nor the Fund, have the authority to manage or direct the business of BPI.

The responsibilities of the Trustees described herein are made pursuant to the provisions of the Declaration of Trust, and do not impose any additional responsibilities or liabilities on the Trustees at law or otherwise.

Terms of reference for a Trustee (TAB A) have been established by the board of Trustees (the “**Board**”) and are reviewed periodically.

### **II. Governance Overview**

The Board is responsible for supervising the activities and investments and to conduct the affairs of the Fund. These responsibilities include the following:

- A. Approve distributions to its unitholders pursuant to section 5 of the Declaration of Trust;
- B. Perform its obligations pursuant to section 10.2 of the Declaration of Trust;
- C. Oversee the Fund’s strategic direction;
- D. Oversee the performance of the LP, as Administrator to the Fund under the Administration Agreement;
- E. Oversee BPIs performance of its obligations under the License and Royalty Agreement;
- F. Oversee the Fund’s contractual obligations and rights under any material contracts;

- G. Monitor BPI's business, including its strategy, activities, initiatives, results, operations, business plans, budgets and prospects;
- H. Review BPI's quarterly and annual financial reporting, BPIs SRS sensitivity and cash balance analysis, debt and interest rate summary and BPIs analysis of its ability to exercise any ratchet;
- I. Review and approve the budget for the Fund for the ensuing fiscal year;
- J. Review reports from the Audit Committee of the Fund (the "**Audit Committee**") and approve, on the recommendation from the Audit Committee, the Fund's quarterly and annual financial reporting and press releases;
- K. Review reports from the Governance, Nominating, and Compensation Committee of the Fund (the "**Governance Committee**") on corporate governance matters and approve recommendations from the Governance Committee that require Board approval;
- L. Develop and monitor the Fund's approach to the corporate governance issues of the Fund and the Fund's approach to compliance with applicable laws, regulations, rules and policies with respect to corporate governance issues and implement and administer the system to ensure good corporate governance practices; and
- M. Develop procedures relating to the conduct of the Board's business and the fulfillment of the Board's responsibilities.

### III. **Trustee Meetings**

- A. The Trustees generally meet at least five (5) times per year. The Chair of the Board shall set the date and time for such meetings in accordance with the Declaration of Trust. The Board shall adhere to the meeting protocols as set out in section 8 of the Declaration of Trust. In addition, an annual general meeting (an "**AGM**") of unitholders of the Fund ("**Unitholders**") is to be held during the course of each year. The Chair of the Board, or such other Trustee approved by the Board, must act as Chair of the AGM.
- B. Trustee meeting agendas are drafted by the CFO or General Counsel of BPI and reviewed and amended, as may be required, by the Chair of the Board. Any Trustee may also propose the inclusion of items on the agenda. The Chair ultimately has the responsibility for establishing the Board's meeting agenda.
- C. Trustees are expected to attend all Board meetings in person, by telephone or by other electronic means that permits each Trustee participating in the meeting to communicate with each other. Problems regarding Trustee attendance are the responsibility of the Chair of the Board and the individual Trustee. Trustees are expected to be prepared for such meetings by reviewing materials provided in advance of meetings.
- D. Where practical, information for Board meetings shall be delivered to Trustees no later than six (6) days before the Trustee meeting.
- E. Presentations to the Trustees should be brief, summarize information previously distributed to the Trustees, and be designed so that the majority of the time is spent on answering questions and discussing issues.
- F. To ensure that Trustees are provided with sufficient time to consider and prepare for meetings, the Trustees will generally require that requests to consider matters at Trustees'

meetings made by BPI be made in writing at least three (3) days in advance of the Trustees' meeting.

#### **IV. Selection of Chair**

Terms of reference for the Chair (TAB B) have been established by the Board and are reviewed periodically.

- A. The Board must from time to time elect from its own number a Chair of the Board.
- B. The Chair holds office at the pleasure of the Board until his or her earlier resignation, or until such time as he or she is no longer elected as a Trustee of the Fund.

#### **V. Selection of Committees and Terms of Reference**

- A. The Board has established an Audit Committee (the "**Audit Committee**"). It elects the members of the Audit Committee and approves the terms of reference for that committee. (See TAB C)
- B. The Board has established a Governance, Nominating and Compensation Committee (the "**Governance Committee**"). It elects the members of the Governance Committee and approves the terms of reference for that committee. (See TAB D)
- C. Ad hoc committees may be created from time to time. All ad hoc committees will have clear terms of reference (see TAB E).

#### **VI. Board Composition and Development**

- A. The Board must consist of not less than two and not more than ten Trustees. The Board determines the optimum size for the Board, currently three trustees.
- B. All of the Trustees must be residents of Canada within the meaning of the *Income Tax Act* (Canada).
- C. Trustees are appointed by the Unitholders at each AGM, or a special meeting held for that purpose, until the next AGM or special meeting held for that purpose.
- D. Trustees must resign or be removed in accordance with the terms of the Declaration of Trust.
- E. Periodic refreshment of the Board fosters the sharing of diverse perspectives in the boardroom and the generation of new ideas and business strategies, balanced by the appropriate in-depth experience, knowledge and understanding of the Fund and BPI and their respective businesses. With the foregoing in mind, it is expected that each Trustee will have a tenure of approximately six to 10 years, and that at any given time, the Board should ideally be comprised of (i) one-third of the Trustees having less than three years of tenure, (ii) one-third of the Trustees having three to six years of tenure, and (iii) one-third of the Trustees having more than six years of tenure. The Board may depart from this tenure guideline if, after taking into account the Trustees' experience, skills and tenure, the Board determines that it is in the best interest of the Fund to depart from this tenure guideline. In addition, the Fund has established a Diversity Policy (see TAB F).

## **VII. Nomination of Trustees of the Board**

Trustees shall be elected each year by the Unitholders at the AGM. Nominees for election to the Board shall be recommended to the Board by the Governance Committee. The Board will then propose nominees to the Unitholders for election as Trustees for the ensuing year.

## **VIII. Material Decisions**

The Board shall consider and approve all material decisions that are outside the scope of the authority delegated to the Fund's committees or any such decisions the Board deems necessary or appropriate.

## **IX. Communication**

- A. BPI provides the Trustees with an opportunity to become acquainted with the management team of BPI through Trustee presentations and other appropriate communications.
- B. All formal communication with employees of BPI should be directed through either the President or CFO of BPI.
- C. The Fund has adopted a Disclosure and Stock Trading Policy, which summarizes its policies and practices regarding disclosure of material information to investors, analysts, and the media. The purpose of this policy is to ensure that the Fund's communications to the investment community are timely, consistent, and in compliance with all applicable securities legislation. All public communications must be made in accordance with the Fund's Disclosure and Stock Trading Policy as approved by the Board. The Trustees shall periodically review the Disclosure and Stock Trading Policy and make any amendments determined necessary or desirable.
- D. The Board, through the Audit Committee and Disclosure Policy Committee, also oversees the Fund's internal disclosure controls and procedures and receives recommendations from the Audit Committee relating to the Fund's disclosure controls.

## **X. Trustee Compensation, Insurance, and Expenses**

### *A. Trustee Compensation*

Each of the Trustees receives the following fees for their services on the Board. These fees may be changed by the Board on the recommendation of the Governance Committee. All monetary references for the purposes of this section refer to Canadian dollars:

- 1. annual retainer of \$26,000;
- 2. meeting fees of:
  - (a) \$1,000 per "substantive" meeting; or
  - (b) \$500 per "non-substantive" meeting,

for attending meetings of the Board, provided, however, that if the Trustee also attends a meeting of the board of directors of GP on the same day, then the Trustee shall be compensated for attendance at only one of such meetings;

3. meeting fees of:

- (a) \$1,000 per “substantive” meeting; or
- (b) \$500 per “non-substantive” meeting,

for attending meetings of the Audit Committee, provided, however, that if the Trustee also attends a meeting of the audit committee of GP on the same day, then the Trustee shall be compensated for attendance at only one of such meetings;

4. meeting fees of:

- (a) \$1,000 per “substantive” meeting; or
- (b) \$500 per “non-substantive” meeting,

for attending meetings of the Governance Committee, provided, however, that if the Trustee also attends a meeting of the governance, nominating and compensation committee of GP on the same day, then the Trustee shall be compensated for attendance at only one of such meetings;

5. meeting fees of:

- (a) \$1,000 per “substantive” meeting; or
- (b) \$500 per “non-substantive” meeting,

for attending meetings of any other committee of the Board, provided, however, that if the Trustee also attends a meeting of a similar committee of the board of directors of GP on the same day, then the Trustee shall be compensated for attendance at only one of such meetings; and

6. remuneration is paid monthly, quarterly or semi-annually as appropriate.

For each meeting of the Board or any committee thereof, the Chair of the Board shall determine whether that meeting is “substantive” or “non-substantive” for the purposes of Trustee compensation.

#### B. *Insurance*

Trustees’ Insurance - Trustees have the following policies, the details of which follow:

- (a) Trustees’, Directors’ and Officers’ Group Liability and Corporation Insurance Policy in an amount to be determined by the Board, which shall provide a minimum coverage of \$15,000,000; and
- (b) Trustees’ Side A Insurance Policy in an amount to be determined by the Board, which shall provide a minimum coverage of at least \$10,000,000.

#### C. *Expenses*

Reasonable expenses in connection with Trustee business will be reimbursed.

D. *Continuing Education*

Annual fees for membership in the Institute of Corporate Directors and tuition/ registration fees for pre-approved courses that a Trustee may attend that may assist a Trustee in performing his or her duties, including those courses to maintain his or her professional designation and not otherwise paid for by another organization shall be reimbursed. Pre-approval by the Chair of the Board is required for tuition/ registration fee reimbursement.

**XI. Code of Ethics / Characteristics of Good Trustees**

The Trustees shall comply with the Code of Ethics for Trustees (see TAB H). The Board is responsible for monitoring compliance with the Code of Ethics for Trustees. Trustees are expected to have or exhibit the following characteristics:

- A. honesty and integrity;
- B. sound business judgment;
- C. relevant background, skills and expertise;
- D. the person's knowledge of the business and the business environment in which the Fund and Boston Pizza, operate;
- E. the ability to work with other Trustees and the Board of Directors and management of BPI;
- F. willing and able to give the time to Trustee duties; and
- G. free of any conflicts of interest (see Tab H).

**XII. Board Evaluation Process**

The Board will ensure that an appropriate system is in place to evaluate and examine how the Board is operating and make suggestions for improvement. The evaluation process will focus on Board, committee and individual Trustee performance.

**XIII. Right to Engage Independent Advisors**

The Board, a committee or an individual Trustee has the right to engage separate independent financial, legal and/or other advisors whenever the Board, committee or individual Trustee determines prudent, advisable or necessary, with the expense of such services being paid by the Fund.

## TAB A

### TERMS OF REFERENCE FOR A TRUSTEE

#### I. Goals and Objectives

Each trustee (a “**Trustee**”) of the Boston Pizza Royalties Income Fund (the “**Fund**”) must enhance and participate in the common goals and objectives of the Fund and must do so by:

- A. ensuring that the best interests of the Fund are paramount; and
- B. fulfilling the legal requirements and obligations of a Trustee which includes a comprehensive understanding of the duties of Trustees provided for in the amended and restated declaration of trust dated December 7, 2010 (the “**Declaration of Trust**”) and under applicable corporate and securities law.

#### II. Duties and Responsibilities of each Trustee

##### A. *Trustee Activity*

Recognizing that the actions of each Trustee directly affects the activities of the board of Trustees (the “**Board**”), each Trustee must:

1. exercise judgment and act with integrity;
2. use abilities, experience and influence constructively;
3. be an available resource to the Board;
4. respect confidentiality;
5. bring ideas to the Board with a willingness for discussion and criticism;
6. openly explore potential conflict areas – real or perceived – and adopt an objective position;
7. develop the ability to evaluate Boston Pizza International Inc.’s (“**BPI**”) performance of its obligations under the License and Royalty Agreement;
8. develop the ability to evaluate the Fund’s performance;
9. exercise responsibility to shape the Fund’s distribution policy and strategy;
10. ensure the implementation, continuity and integrity of the Fund’s internal control and management information systems;
11. oversee the Disclosure and Stock Trading Policy. The Board of Trustees will monitor the policies and procedures that are in place to provide for effective communication by the Fund with its unitholders and with the public generally, including effective means to enable its unitholders to communicate with senior management of BPI and the Board; and
12. assist in the Fund’s growth.



**B. Orientation**

Upon a Trustee being elected or appointed to the Board of Trustees for the first time, that Trustee must develop an understanding of:

1. the business of the Fund and BPI, and how they are financially connected and managed, including, in particular, understanding the information contained within the annual information form and annual financial statements of the Fund and BPI; and
2. the basic documents under which the Fund and its subsidiaries are established, and the agreements through which they obtain revenue and their business is managed, including:
  - (a) the Amended and Restated Declaration of Trust establishing the Fund;
  - (b) the Amended and Restated Declaration of Trust establishing Boston Pizza Holdings Trust;
  - (c) the Limited Partnership Agreement governing Boston Pizza Holdings Limited Partnership;
  - (d) the Amended and Restated Limited Partnership Agreement governing LP;
  - (e) the Limited Partnership Agreement governing Boston Pizza Canada Limited Partnership;
  - (f) the Amended and Restated Governance Agreement;
  - (g) the License and Royalty Agreement;
  - (h) the Amended and Restated Administration Agreement;
  - (i) the Amended and Restated Exchange Agreement for the LP;
  - (j) the Amended and Restated Exchange Agreement for Boston Pizza Canada Limited Partnership;
  - (k) the credit agreements governing the Fund's credit facilities; and
  - (l) to the extent BPI has provided the Fund a copy, the credit agreements governing BPI's credit facilities; and
3. the specific provisions in the various contracts to which the Fund and its subsidiaries are party under which the Board of Trustees or the Fund have an obligation to monitor BPI and BPI's business.

**C. Preparation and Attendance**

To ensure that every Board meeting is productive and conducive to informed discussion of the issues before the Board, each Trustee must:

1. thoroughly prepare for each Board meeting by making sure that they read and understand reports and background materials and are fully aware of all issues to be discussed at the Board meeting;

2. maintain an excellent Board meeting attendance record; and
3. satisfy themselves that they have the information necessary for decision making.

**D. *Communication***

Effective internal communication is fundamental to the effectiveness of the Board. Accordingly, each Trustee must:

1. participate fully and frankly in the deliberations and discussions of the Board;
2. encourage free and open discussion of the affairs of the Fund by the Trustees;
3. make suggestions on innovations, strategic directions, and planning;
4. ask probing questions focused on policy and strategy rather than tactics and details;
5. question directors and officers of BPI in an appropriate manner and at proper times on the manner in which BPI is fulfilling its obligations under the License and Royalty Agreement;
6. speak up on critical matters requiring an objective opinion;
7. advise the Chair of the Board when planning to introduce significant and previously unknown information or material at a Board meeting; and
8. communicate constructively and when appropriate, privately, with the Chair of the Board.

**E. *Independence In Thinking and Acting***

While recognizing that the cohesiveness of the Board is an important element of its effectiveness, a Trustee will endeavour to:

1. be a positive force and independent thinker with a demonstrated interest in the Fund;
2. think, speak and act independently with courage and confidence;
3. take a reasoned, independent position with the Chair of the Board and other Trustees; and
4. comply with other sections of this manual with respect to independence.

**F. *Trustee Interaction***

In recognition of the fact that, while independence is essential, ultimately the Board operates as a single unit and each Trustee must:

1. establish an effective and respected presence, and respect the opinions and ideas of other Trustees;
2. demonstrate personal competence and trustworthiness;

3. make reasonable demands of the other Trustees, and respond with due haste and consideration to any demands made upon them; and
4. ensure that most requests for information from management of BPI is directed through the CFO of BPI.

**G. *Knowledge of the Fund, Boston Pizza and the Industry***

Recognizing that informed decisions can only be made by Trustees who seek and understand current information relating to the Fund, Boston Pizza and the industry in which Boston Pizza operates, each Trustee must:

1. stay knowledgeable about BPI's products, services and industry;
2. maintain a current understanding of the regulatory and legislative environment and the business, social and political environment within which Boston Pizza and the Fund operate;
3. develop a familiarity and knowledge of the key officers and management groups of BPI; and
4. seek independent advice from outside advisors when necessary.

**III. Legal Requirements of Trustees**

- A. Canadian law and the Declaration of Trust provide that Trustees are obligated to, among other things:
1. act prudently and in the best interest of the Fund;
  2. act honestly and in good faith with a view to the best interests of the Fund; and
  3. in fulfilling their duties described in paragraphs 1. and 2. above, exercise the degree of care, diligence and skill that a reasonably prudent person would in comparable circumstances.

**TAB B**  
**TERMS OF REFERENCE FOR THE CHAIR**

**I. Introduction**

The trustees (the “**Trustees**”) of Boston Pizza Royalties Income Fund (the “**Fund**”) have ultimate accountability for the affairs of the Fund. Critical to meeting this accountability is the relationship between the board of Trustees (the “**Board**”) and Boston Pizza International Inc. (“**BPI**”). The Chair of the Board, as the presiding member of the Board, must play a key role in ensuring that this relationship is effective and efficient and furthers the best interests of the Fund.

**II. The Board of Trustees Interface with Management**

The Chair must act as the principal interface with the senior management team of BPI, to ensure senior management is aware of concerns of the Trustees and other stakeholders.

**III. Managing the Affairs of the Board of Trustees**

The Chair must:

- A. act as Chair of all Board meetings;
- B. manage the affairs of the Board and monitor its effectiveness;
- C. guide the Board’s deliberations so that appropriate strategic and policy decisions are made;
- D. ensure that the Board has taken ultimate responsibility for the Fund’s business and affairs and that the Board is alert to its obligations to the Fund, the unitholders of the Fund, other stakeholders and under applicable corporate and securities laws;
- E. provide strong leadership of the Board, assist the Board in reviewing and monitoring the aims, strategy, policy and directions of the Fund and the achievement of its objectives;
- F. ensure that the Board considers the composition of the Board on an annual basis and recommends criteria for new Trustees when applicable;
- G. ensure that the Fund’s strategic direction, including the Fund’s vision/mission/values, is defined and communicated to the Board;
- H. ensure that Board meetings are conducted in an efficient, effective and focused manner; and
- I. work toward building and achieving unanimity whenever possible.

**IV. Procedural Matters Involving the Chair**

- A. The Chair may call a meeting of the Board at any time in accordance with Article 8 of the amended and restated declaration of trust dated December 7, 2010.
- B. The Chair shall, upon request to do so, signed by any other Trustee and delivered not less than 48 hours before the meeting, call a meeting of the Board.
- C. In a case of an equality of votes on any question arising at a Board meeting, the Chair shall not have a further casting vote.

- D. The Chair will consult with the CFO or General Counsel of BPI in determining an agenda for each Board meeting.

## TAB C

### TERMS OF REFERENCE FOR THE AUDIT COMMITTEE

#### I. PURPOSE

The purpose of the Audit Committee (the “**Committee**”) is to assist the board of trustees (the “**Board**”) of Boston Pizza Royalties Income Fund (the “**Fund**”) in fulfilling its oversight responsibilities with respect to the Fund, Boston Pizza Holdings Trust and Boston Pizza Holdings Limited Partnership (together with the Fund, the “**Fund Entities**”) by reviewing the financial information which will be provided to the unitholders of the Fund (the “**Unitholders**”), securityholders of the Fund Entities and others, the systems of corporate financial controls which the Board have established and the audit process.

More specifically the purpose of the Committee is to satisfy itself that:

- A. The Fund Entities’ annual financial statements are fairly presented in accordance with international financial reporting standards and to recommend to the Board, whether the annual financial statements should be approved.
- B. The information contained in the Fund Entities’ quarterly financial statements, the Fund’s annual report to Unitholders of the Fund and other financial publications, such as management’s discussion and analysis, is complete and accurate in all material respects and to recommend to the Board whether these materials should be approved.
- C. The Fund has appropriate systems of internal control over the safeguarding of assets and financial reporting to ensure compliance by the Fund Entities with legal and regulatory requirements.
- D. The external audit functions with respect to the Fund Entities have been effectively carried out and that any matter which the independent auditors wish to bring to the attention of the Board has been addressed. The Committee will also recommend to the Board the reappointment or appointment of auditors of the Fund Entities and their remuneration.
- E. In performing its functions, the Committee must comply with the requirements of applicable rules and laws, including National Instrument 52-110 *Audit Committees* (“**NI 52-110**”) and applicable exchange policies. Nothing herein is intended to expand, or shall result in the expansion of, applicable standards of liability under the amended and restated declaration of trust of the Fund dated December 7, 2010 or applicable corporate and securities laws.

#### II. COMPOSITION AND TERMS OF OFFICE

- A. The members of the Committee must include that number of individuals that are independent of the Fund and of Boston Pizza International Inc. (“**BPI**”) as is prescribed by applicable securities laws, regulations and policies. “Independent” shall have the meaning, given to it in NI 52-110, as may be amended from time to time.
- B. At the time of his or her appointment to the Committee, each member of the Committee shall be financially literate. “Financial literacy” shall be determined by the Board in the exercise of its business judgment, and shall include the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Fund Entities’ financial statements.
- C. The Chair of the Committee shall be appointed by the Board and shall not be an officer or an employee of BPI or its affiliates.

- D. Any member of the Committee, including the Chair, may be removed or replaced at any time by the Board and shall cease to be a member upon ceasing to be a trustee of the Fund (a “Trustee”). Each member of the Committee shall hold office until the member resigns or is replaced, whichever first occurs.

### III. MEETINGS

- A. The Committee will meet at least four (4) times per year. The Chair of the Committee shall set the agenda, date and time for such meetings. Additional meetings may be held as deemed necessary by the Chair of the Committee or as requested by any member of the Committee or by the internal or external auditors.
- B. The meetings will be scheduled to permit timely review of the interim and annual financial statements of the Fund, as applicable.
- C. If all members consent, and proper notice has been given, or waived, a member or members of the Committee may participate in a meeting of the Committee by means of such telephonic, electronic or other communication facilities as to permit all persons participating in the meeting to communicate adequately with each other, and a member participating in such a meeting by any such means is deemed to be present at that meeting.
- D. A quorum for the transaction of business at all meetings of the Committee shall be a majority of the members of the Committee. Questions arising at any meeting shall be determined by a majority of votes of the members of the Committee present, and in case of an equality of votes the Chair of the Committee shall not have a second casting vote.
- E. The Committee may invite such Trustees, officers and employees of the Fund Entities as it may see fit from time to time to attend meetings of the Committee and assist in the discussion and consideration of the business of the Committee.
- F. The Committee shall keep regular minutes of proceedings and shall cause them to be recorded in books kept for that purpose, and shall report the same to the Board at such times as the Board may, from time to time, require.
- G. The Committee shall review and approve minutes from prior meetings.
- H. Supporting schedules and information reviewed by the Committee will be available for examination by any Trustee upon request to the Secretary of the Committee.
- I. The Committee shall choose as its Secretary such Committee member as it deems appropriate.
- J. The external and internal auditors of the Fund Entities shall be given notice of, and have the right to appear before and to be heard at, every meeting of the Committee, and shall appear before the Committee when requested to do so by the Committee.

#### **IV. DUTIES AND RESPONSIBILITIES**

Subject to the powers and duties of the Board, the Board hereby delegates to the Committee the following powers and duties to be performed by the Committee on behalf of and for the Board acting on behalf of the Fund:

##### **A. Financial Reporting Control Systems**

The Committee shall:

1. Review and recommend approval for the Chair of the Committee's letter to the Board;
2. review reports from senior officers of Boston Pizza GP Inc. ("GP") outlining any significant changes in financial risks facing the Fund;
3. review all press releases relating to financial results, and submit to the Board for final approval;
4. annually review the guidelines of the Committee, including approving the internal Audit Committee mandate and plan for the following year, and, based on this review, make recommendations to the Governance, Nominating and Compensation Committee;
5. review any correspondence received from securities commissions regarding material financial matters, including reviewing and approving, in advance, any communication regarding material financial matters to any securities regulators;
6. review reports from management regarding any changes in legislation, guidelines or regulations regarding financial reporting;
7. review BPI's IT disaster recovery plan; and
8. obtain assurance from the external and internal auditors regarding the overall control environment and the adequacy of accounting system controls of the Fund.

##### **B. Interim Financial Statements and MD&A**

The Committee shall:

1. review interim financial statements of the Fund Entities and the interim management's discussion and analysis of the Fund prior to their release and recommend their approval to the Board. This will include a detailed review of quarterly and year-to-date results; and
2. review narrative comments accompanying interim financial statements.

##### **C. Annual Financial Statements, MD&A and Other Financial Information**

The Committee shall:

1. review annual financial statements of the Fund Entities and the annual management's discussion and analysis of the Fund prior to their release and recommend their approval to the Board. This will include a detailed review of annual results;



2. review narrative comments accompanying annual financial statements.
3. review any changes in accounting policies or financial reporting requirements that may affect the current year's financial statements;
4. obtain summaries of significant transactions, and other potentially difficult matters whose treatment in the annual financial statements merits advance consideration;
5. obtain draft annual financial statements in advance of the Committee meeting and assess, on a preliminary basis, the reasonableness of the financial statements in light of the analyses provided by management;
6. review reports provided by management regarding compliance with all financial covenants included in lending agreements with the Fund and BPI's lenders;
7. review the recommendation from senior management regarding quarterly distributions for the Fund and recommend these distributions and intra-quarter distribution press releases to the Board for approval, as deemed appropriate;
8. review a summary provided by legal counsel of the status of any material pending or threatened litigation, claims and assessments against the Fund, and the report from management on any fraud or illegal activities;
9. review compliance report from management regarding: (a) regulatory matters, (b) CEO and CFO certification, (c) Canadian ownership of the Fund, and (d) related party transactions;
10. discuss any annual financial statements and the auditors' report thereon in detail with management and the auditors;
11. review other financial information and financial documents that require the approval of the Board, including statements in prospectuses and other offering memoranda, news releases containing financial information, or other documents including financial or future oriented financial information and statements required by regulatory authorities;
12. review and recommend for approval to the Board the annual report of the Fund and other annual reporting documents including the Fund's annual information form;
13. review and recommend approval of the January 1 roll-in adjustments to the Board, and ensure that BPI's relative percentage interests in respect of the Class B Units and Class 2 GP Units are within two percent (2%) of each other before and after roll-in;
14. review and recommend to the Board approval of true-up adjustments, and ensure that BPI's relative percentage interests in respect of the Class B Units and Class 2 GP Units are within two percent (2%) of each other before and after true-up;
15. review management's internal audit report;
16. review the audited statements of franchise revenues reported by Boston Pizza restaurants and the auditor's report thereon;
17. review and approve authorization spending limits for the Fund Entities; and

18. review non-Trustee related insurance coverage

D. **External Audit Terms of Reference, Reports, Planning and Appointment**

The Committee shall:

1. oversee the work of the external auditor and will communicate directly with the external auditor as required. The external auditor must report directly to the Committee;
2. review the audit plan with the external auditors;
3. review the external auditor's report on the results of their audit, including the management representation letter, SUD list, ICOFR report and confirmation of independence;
4. discuss in private with the external auditors matters affecting the conduct of their audit and other corporate matters;
5. recommend to the Board each year the retention or replacement of the external auditors; if there is a plan to change auditors, review all issues related to the change and the steps planned for an orderly transition;
6. annually review and recommend for approval to the Board the terms of engagement and the remuneration of the external auditor;
7. review and approve the auditor's report on specified audit procedures for Boston Pizza Canada Limited Partnership;
8. approve in advance any non-audit services provided by the external auditors;
9. review any new employees hired by BPI that were formerly employed by the external auditor;
10. resolve disagreements between the external auditors and the Fund's or GP's management; and
11. engage independent counsel and other advisors as it determines prudent, advisable or necessary to carry out its duties.

E. **Risk Management**

The Committee must be satisfied that adequate procedures are in place for the review of potential risks that could affect the Fund, and it will oversee the risk treatment plans and controls through semi-annual review, and annual recommendation to the Board.

F. **Disclosure Controls and Procedures**

At least annually, the Committee shall review, discuss with one or more members of the Disclosure Policy Committee and, to the extent the Committee deems appropriate, the internal auditor and the external auditor, the Fund's and BPI's disclosure controls and procedures and make recommendations to the Board respecting the Fund's and BPI's disclosure controls and procedures. More particularly, the Committee shall:

1. review minutes from Disclosure Policy Committee meetings;

2. discuss and review the Disclosure Policy Committee's annual self-evaluation and certification process of the design and effectiveness of the disclosure policy and disclosure controls and procedures;
3. discuss with one or more members of the Disclosure Policy Committee at least annually the guidelines and policies with respect to financial, fraud and disclosure risk assessments; and
4. receive updates from the Disclosure Policy Committee in the form of meeting minutes.

**V. ACCOUNTABILITY**

- A. The Committee shall report to the Board at its next regular meeting all such action it has taken since the previous report.
- B. The Committee is empowered to investigate any activity of any of the Fund Entities and all employees are to co-operate as requested by the Committee. The Committee may retain persons having special expertise to assist it in fulfilling its responsibilities.
- C. The Committee is authorized to request the presence at any meeting, but without voting rights, of a representative from the external auditors, senior management, internal audit, legal counsel or anyone else who could contribute substantively to the subject of the meeting and assist in the discussion and consideration of the business of the Committee.
- D. The Committee will establish procedures for the receipt, retention and treatment of complaints received by the Fund regarding accounting, internal accounting controls or auditing matters and for the confidential, anonymous submission of concerns regarding questionable accounting or auditing practices.

## TAB D

### TERMS OF REFERENCE FOR THE GOVERNANCE, NOMINATING AND COMPENSATION COMMITTEE

#### I. PURPOSES

The purposes of the Governance, Nominating and Compensation Committee (the "**Committee**") are as follows:

- A. to monitor the governance of the board of trustees (the "**Board**") of Boston Pizza Royalties Income Fund (the "**Fund**") and to develop methods of enhancing corporate performance, to assess and make recommendations regarding Board effectiveness, and to establish a process for identifying, recruiting and recommending candidates for membership on the Board;
- B. to develop and monitor the Fund's approach to the corporate governance issues of the Fund and the Fund's approach to compliance with applicable laws, regulations, rules and policies with respect to corporate governance issues and implement and administer the system to ensure good corporate governance practices; and
- C. to review and make recommendations to the Board regarding the compensation of the Trustees of the Fund.

#### II. COMPOSITION AND TERMS OF OFFICE

- A. The Committee chair and the Committee members shall be appointed annually at the first meeting of the Board following the annual general meeting of unitholders of the Fund (the "**AGM**") each year, or at such other time as the Board deems appropriate.
- B. Any member of the Committee may be removed or replaced at any time by the Board. Each member of the Committee shall cease to be a member upon ceasing to be a Trustee of the Fund. Each member of the Committee shall hold office until the member resigns or is replaced, whichever first occurs.

#### III. MEETINGS

- A. The Committee shall meet at least four (4) times per year. The Chair of the Committee shall set the agenda, date and time for such meetings. Additional meetings may be held as deemed necessary by the chair of the Committee or as requested by any member of the Committee.
- B. If all members of the Committee consent, and proper notice has been given or waived, a member or members of the Committee may participate in a meeting of the Committee by means of such telephonic, electronic or other communication facilities as permit all persons participating in the meeting to communicate adequately with each other, and a member participating in such a meeting by any such means is deemed to be present at that meeting.
- C. A quorum for the transaction of business at all meetings of the Committee shall be a majority of the members of the Committee. Questions arising at any meeting shall be determined by a majority of votes of the members of the Committee present, and in case of an equality of votes the chair of the Committee shall not have a second casting vote.

- D. The Committee may invite such persons as it may see fit from time to time to attend meetings of the Committee and assist in the discussion and consideration of the business of the Committee, but without voting rights.
- E. The Committee shall keep regular minutes of proceedings and shall cause them to be recorded in books kept for that purpose, and shall report the same to the Board at such times as the Board may, from time to time, require.
- F. The Committee shall choose as its secretary such person as it considers appropriate.

#### **IV. DUTIES AND RESPONSIBILITIES**

Subject to the powers and duties of the Board, the Board hereby delegates to the Committee the following powers and duties to be performed by the Committee on behalf of and for the Board:

##### **Governance of the Fund**

The Committee shall:

- A. develop and monitor the Fund's approach to the corporate governance issues of the Fund and the Fund's approach to compliance with applicable laws, regulations, rules and policies with respect to corporate governance issues and implement and administer the system to ensure good corporate governance practices;
- B. review, on a regular basis, but not less than annually, the role of the Board, the guidelines for each of the committees of the Board, and the role of the Chair of the Board;
- C. review, on a regular basis, the methods and processes by which the Board fulfils its duties and responsibilities, including without limitation:
  - 1. the number and content of Board meetings;
  - 2. the annual schedule of issues to be presented to the Board at its meetings or those of its committees;
  - 3. material which is to be provided to the Trustees generally and with respect to meetings of the Board or its committees;
  - 4. resources available to the Trustees; and
  - 5. the communication process between the Board and management of Boston Pizza International Inc. ("**BPI**");
- D. be responsible for the management and administration of a system which enables the Board, a committee or an individual Trustee to engage separate independent counsel and/or advisors whenever the Board, committee or individual Trustee determines prudent, advisable or necessary, with the expense of such services being paid by the Fund;
- E. administer the process for assessing the effectiveness of the Board as a whole, each committee of the Board, and each Trustee, with the results of such process to be presented and discussed at a meeting of the Committee and presented to the Board, and periodically review the evaluation process for the Board, each committee of the Board, and each individual Trustee;

- F. review compliance report from management regarding the Whistleblower Policy and Disclosure and Stock Trading Policy and make recommendations on the same to the Board;
- G. review all Fund policies and codes and make any recommendations to the Board, including reviewing the Diversity Policy and monitoring the implementation and effectiveness of such policy and consider whether to set targets for diversity;
- H. recommend to the Board the pre-approval of any related party transactions;
- I. receive and review BPI's compliance certificate showing compliance with the terms of the General Security Agreement;
- J. consider if any conflicts of interest exist between the Fund and BPI and recommend to the Board how such conflict(s) shall be resolved prior to such matter being addressed by the Board;
- K. develop succession plans for the Board and Board committee Chairs, and recommend to the Board the composition and Chairs for its committees for the following year;
- L. review the appropriateness of any Trustee resignations, as applicable;
- M. conduct in-camera meetings with BPI's President to discuss BPI's management team and BPI's management succession plans and any other matters as considered necessary by the Committee;
- N. request and review a certificate from management certifying that BPI is complying with its undertakings to securities commissions;
- O. periodically review the compensation paid to Trustees for their services to the Board and make recommendations to the Board for any change in the fee structure;
- P. review Trustee, director and officer insurance coverage and commence renewal process and recommend approval of the same to the Board;
- Q. review committee and Board work plans;
- R. recommend the time, place and record date for the AGM to the Board and review the related management information circular and related meeting documents and make recommendations to the Board regarding the same;
- S. review the constating documents of the Fund and make recommendations to the Board, as required;
- T. respond to any whistleblower incidents;
- U. prepare any reports required or recommended on corporate governance; and
- V. make recommendations to the Board regarding the nominees of the Fund to be nominated to the Board of Directors of Boston Pizza GP Inc.

## **Nomination of Trustees and Composition of the Board**

The Committee shall:

- A. annually develop and update a long term plan for the composition of the Board that takes into consideration the current strengths, skills and experience on the Board, mix of tenure, retirement dates and the strategic direction of the Fund;
- B. in the last quarter of each year, request each current Trustee to advise the Committee whether or not the Trustee is willing to stand for re-election at the next AGM;
- C. in the last quarter of each year, discuss and consider which Trustees, if any, are planning to retire at or prior to the next AGM or special meeting of unitholders;
- D. recommend to the Board the nominees to stand for election as Trustees at the AGM, and in so doing, the Committee shall be mindful of the tenure guidelines;
- E. review, monitor and make recommendations regarding new Trustee orientation and the ongoing development of existing Trustees;
- F. at least annually, review and consider the Board's current and desired composition by considering:
  - 1. the particular competencies and skills ideal for the Board, including requirements for members of the Board committees;
  - 2. the competencies and skills each Trustee possesses;
  - 3. the personality and other qualities of each Trustee, as these qualities may determine and contribute to the boardroom dynamic; and
  - 4. the size of the Board.

When the Board determines that a new Trustee(s) should be recruited, the Committee shall, in accordance with the Diversity Policy (see TAB F):

- G. identify the competencies and skills that the Committee considers to be necessary for the Board, as a whole to possess;
- H. the competencies and skills that the Committee considers each existing Trustee to possess;
- I. the competencies and skills each candidate will bring to the boardroom;
- J. identify individuals who have the skills and competencies desired by the Committee;
- K. take into consideration such factors as it deems appropriate including judgment, skill, diversity, geography, experience with businesses and other organizations of comparable size, the interplay of a candidate's experience with the experience of other Board members, the extent to which a candidate would be a desirable addition to the Board and whether or not a candidate can devote sufficient time and resources to his or her duties as a Trustee;
- L. recommend to the Board the nominees to stand for election as Trustees at the AGM;

- M. in the case of a vacancy in the office of a Trustee (including a vacancy created by an increase in size of the Board), either (i) recommend to the Board the individual to fill such vacancy through appointment by the Board or (ii) recommend to the Board the individual to fill such vacancy through election by unitholders; and
- N. consider and make recommendations to the Board with respect to the acceptance of any conditional resignation of a Trustee pursuant to the Fund's Majority Voting Policy (See TAB G).

**V. ACCOUNTABILITY**

- A. The Committee shall report to the Board at its next regular meeting all such action it has taken since the previous report.
- B. The Committee is authorized to request the presence at any meeting, but without voting rights, of a representative from the external advisors, senior management of BPI, legal counsel or anyone else who could contribute substantively to the subject of the meeting and assist in the discussion and consideration of the business of the Committee, including Trustees, directors, officers and employees of BPI or the Fund.



**TAB E**  
**GUIDELINES, STRUCTURE AND POLICIES FOR COMMITTEES**

**I. Committee Responsibilities and Terms of Reference**

- A. Committee mandates are set by the board of the trustees (the “**Board**”) of the Boston Pizza Royalties Income Fund (the “**Fund**”).
- B. Committees analyze in depth those policies and strategies that have been developed by the Board that relate to the areas of responsibility described in that committee’s terms of reference. Committees examine proposals and where appropriate make recommendations to the full Board.
- C. Committees do not take action or make decisions on behalf of the Board unless specifically mandated to do so in their terms of reference or otherwise.
- D. To fulfill the obligations of the Fund, the Board has established an Audit Committee and Governance, Nominating and Compensation Committee which have specific terms of reference (see TABS C and D).
- E. There will be occasions when the Board may form a new standing committee or disband a current committee. In addition, the Board may appoint an ad hoc committee to study a particular issue. Ad hoc committees will have very specific terms of reference and will be appointed for a specific period of time.
- F. Each committee will undertake a comprehensive annual review of its terms of reference and will report any suggested changes to the Board.

**II. Composition and Organization of Committees**

- A. Committees are struck by the Board.
- B. Consideration will be given to rotating committee members periodically but the Board does not feel that such a rotation should be mandated as a policy since there may be reasons at a given point in time to maintain an individual Trustee’s committee membership.
- C. Unless otherwise provided in the committee’s terms of reference, each committee elects its own Chair.
- D. The Chair of a committee presides at all meetings of the committee and is responsible to see that the work of the committee is well organized and proceeds in a timely fashion.

**III. Committee Meetings and Agendas**

- A. The committee Chair, in consultation with committee members, acting within the terms of reference for that committee, will determine the frequency and length of the meetings of the committee. The Chair of the committee and the members of the committee will develop the committee’s agenda.
- B. A committee may, from time to time, request the assistance of advisors to research, investigate and report on matters within the committee’s terms of reference. This request should be approved by the Board.

## TAB F

### DIVERSITY POLICY

The board of trustees (the “**Board**”) of Boston Pizza Royalties Income Fund (the “**Fund**”), upon the recommendation of the Governance, Nominating and Compensation Committee, is responsible for, among other things, establishing a process for identifying, recruiting and recommending candidates for membership on the Board. This Diversity Policy (the “**Policy**”) sets out the Fund’s approach to diversity on the Board.

#### **I. POLICY STATEMENT**

Diversity refers to all the characteristics that make individuals different from each other. It includes but is not limited to characteristics such as gender, geographical representation, education, experience, ethnicity, age and disability. The Board is committed to diversity and to ensuring that its members are reflective of diverse professional experience, skills, knowledge and other key attributes that are essential to its successful operation and the achievement of the Fund’s current and future plans and objectives.

The Fund recognizes the potential benefits of having a diverse Board. The Board, Governance, Nominating and Compensation Committee and the Fund aim to attract and maintain a Board that has an appropriate mix of diversity, skill and expertise. All Board nominations will ultimately be based on merit, and the skill and contribution that the candidate is expected to bring to the Board with due consideration given to the benefits of diversity.

#### **II. DIVERSITY AND THE NOMINATION PROCESS**

When considering the composition of, and individuals to nominate to, the Board, the Board and the Governance, Nominating and Compensation Committee shall consider diversity from a number of aspects, including but not limited to gender, age, ethnicity and cultural diversity. In addition, when assessing and identifying potential new members to join the Board, the Board and Governance, Nominating and Compensation Committee shall consider the current level of diversity on the Board.

#### **III. MEASURABLE OBJECTIVES**

The Governance, Nominating and Compensation Committee shall be responsible for developing measurable objectives to implement the Policy and to measure its effectiveness. The Board, upon the recommendation of the Governance, Nominating and Compensation Committee, determine annually on whether to set targets based on diversity (including gender) for the appointment of individuals to the Board.

The Board and the Governance, Nominating and Compensation Committee will actively seek out diverse applicants for the pool of candidate appointments. The Board and the Governance, Nominating and Compensation Committee shall strive to consider an equal number of male and female candidates. All Board nominations will ultimately be based on merit, and the most skilled and qualified candidates from the diverse candidate pool will be selected, taking into account the needs of the Board.

#### **IV. MONITORING AND REPORTING**

The Governance, Nominating and Compensation Committee will monitor, on an ongoing basis, the implementation and effectiveness of the Policy and will, at least annually, assess: (i) the mix of diversity, skill and expertise on the Board, (ii) the measurable objectives set pursuant to the Policy, and (iii) progress in achieving such measurable objectives, including any targets, if set.

The Board, at least annually will consider any revisions to the Policy that the Board believes would be appropriate.

Nothing in the Policy shall be construed to condone engagement in actions that would violate any anti-discrimination, equal employment or other applicable laws or regulations.

## TAB G

### BOARD POLICY ON MAJORITY VOTING FOR TRUSTEE NOMINEES

The Board of Trustees (the “**Board**”) of Boston Pizza Royalties Income Fund (the “**Fund**”) believes that each trustee of the Fund (a “**Trustee**”) should carry the confidence and support of the unitholders of the Fund (the “**Unitholders**”). To this end, the Trustees have unanimously adopted and agreed to comply with the following policy regarding the election of Trustees. Any future nominees for election to the Board will be asked to agree to comply with this policy before they are nominated for election, or otherwise appointed, to the Board.

The form of proxy for use at any meeting of the Unitholders where Trustees are to be elected will enable Unitholders to either: (a) vote in favour; or (b) withhold their units from being voted in respect of each nominee separately. At the meeting, the Chair of the Board will call for a vote by ballot and the scrutineer of the meeting will record, with respect to each nominee, the total number of units voted in favour and the total number of units withheld from voting. If, with respect to any nominee, the total number of units withheld exceeds the total number of units voted in favour of the nominee, then for purposes of this policy such nominee shall be considered not to have received the support of Unitholders even though duly elected as a matter of law.

Any nominee who is considered under the above test not to have the support of the Unitholders shall, forthwith submit his or her resignation to the Board to take effect immediately upon acceptance by the Board.

Upon receipt of such a conditional resignation, the Board shall, upon the recommendation of the Governance, Nominating and Compensation Committee, decide whether or not to accept the tendered resignation and shall, not later than 90 days after the Unitholders’ meeting, issue a press release which either confirms that they have accepted the resignation or provides an explanation for why they have refused to accept such resignation. The Trustee tendering his or her resignation will not participate in any meeting of the Board which considers the resignation. In the absence of exceptional circumstances, the Board expects that it will accept the resignation.

Subject to any restrictions or requirements contained in applicable law or the Fund’s constating documents, the Board may: (a) leave a resulting vacancy unfilled until the next AGM; (b) appoint a replacement trustee whom the Board considers merits the confidence of the Unitholders; or (c) call a special meeting of Unitholders for the election of a replacement trustee.

This policy does not apply in respect of any contested Unitholders’ meeting. For purposes hereof, a contested meeting is any meeting of Unitholders where proxy material is circulated in support of one or more Trustee nominees who are not part of a slate of Trustee nominees supported by the existing Board.

This policy shall apply to all unitholder meetings commencing with the AGM to be held on June 12, 2017.

## TAB H

### CODE OF ETHICS FOR TRUSTEES

#### A TRUSTEE SHALL, IN DISCHARGING THE OFFICE OF TRUSTEE:

1. Act at all times in the best interests of Boston Pizza Royalties Income Fund (the “**Fund**”) acknowledging the interests of the Fund are paramount to any personal interests or the interests of any other organization of which a trustee of the Fund (a “**Trustee**”) may be a member, officer or employee.
2. Exercise diligence, care, prudence and common sense, keep informed of the policies, business and affairs of the Fund and Boston Pizza International Inc. (“**BPI**”) and keep informed of the statutes and rules to which the Fund is subject and by which it is governed.
3. Deal with fellow Trustees of the Fund and the directors, officers and employees of BPI, openly, honestly and in good faith and make available to and share with fellow Trustees, all information as may be relevant and properly disclosed to ensure the proper conduct and sound operation of the Fund.
4. Treat in confidence all matters and information involving the Fund and the board of Trustees (the “**Board**”); not disclose the same where it is not in the public record or domain unless sanctioned by the Board to do so; and refrain from entering into any transaction in which the Trustee makes use of confidential information in order, directly or indirectly, to obtain a benefit or advantage for the Trustee or anyone else, other than the Fund or a subsidiary thereof.
5. Ensure that the actions and conduct of the business and affairs of the Fund are carried out in accordance with policies adopted by the Board.
6. Comply with all laws, rules and regulations applicable to the business of the Fund and BPI. If any Trustee is in doubt as to whether or not a particular course of action would contravene applicable law, he or she should discuss the proposed activity with management, who in turn should consider seeking the guidance of appropriate Fund legal counsel.
7. Communicate criticism or issues raised by Unitholders of the Fund and pass along any complaints directly to the Chair of the Board. The Chair of the Board will interface with BPI as necessary with respect to such issues. The Chair of the board of directors of BPI will handle communications with his/her management team or staff and shall inform the Trustees of action taken.
8. Request such information through the Board from officers and employees of BPI as may be necessary to permit the full discharge of the duties of a Trustee and ensure that accurate records, minutes and memorandum are maintained with respect to the conduct and discharge of the business of the Board.
9. Not:
  - (a) take for themselves, personally, opportunities that are discovered through the use of Fund property, information or position;
  - (b) use the Fund’s property, information or position for personal gain; and
  - (c) compete with the Fund.

Trustees have a duty to the Fund to advance the Fund's legitimate interests when the opportunity to do so arises. The Trustees shall endeavour to protect the Fund's assets and ensure their efficient use.

10. Report to the Chair of the Board any violations of the Code of Ethics for Trustees, as well as any illegal or unethical behaviour.

**TAB I**  
**CONFLICT OF INTEREST POLICY**  
**OF**

**BOSTON PIZZA ROYALTIES INCOME FUND**  
**and its subsidiaries**

***Background and Interpretation***

It is anticipated that the trustees (the “**Trustees**”) of the Boston Pizza Royalties Income Fund (the “**Fund**”) and the directors of Boston Pizza GP Inc. (“**GP**”) may from time to time pursue personal and private business interests and ventures and participate in other forms of decision-making organizations. In doing so, each Trustee of the Fund and directors of GP must adhere to this Conflict of Interest Policy to ensure that such activities do not conflict with the interests of the Fund and GP.

For the purposes of this Conflict of Interest Policy, any one of the following is a “Related Party” of the Fund and GP:

- a) any Trustee of the Fund;
- b) any director of GP;
- c) any partner in any law firm engaged by the Fund or GP;
- d) the audit partner of the external auditor of the Fund and GP;
- e) a spouse or relative of a Related Party who occupies the same residence;
- f) any corporation in which a Related Party owns or controls, either directly or indirectly, 50% of the voting share or exercises effective control over a corporation;
- g) when a person is no longer in a position classified as a Related Party (i.e. retires, takes a position where they are not deemed to be a Related Party or leaves GP), that person continues to be a Related Party for a further 12 months.

***Statement of Policy***

This Conflict of Interest Policy shall not relieve any Trustee of the Fund or director or officer of GP from complying with any applicable laws, statutes, regulations, by-laws and rules.

1. Where, in the opinion of the Board of Trustees of the Fund (the “**Board**”), a conflict of interest exists or may arise, the Trustee of the Fund or director of GP with whom the conflict exists shall, upon request of the Board dispose of any ownership, interest or profit participation or become disassociated from the interest, venture or organization as may be directed.
2. Each Trustee of the Fund and director of GP who participates in any transaction either as an individual or as a member of another organization which is of the kind of transaction in which the Fund engages, unless otherwise excused by the Board, shall promptly disclose such participation to the Board.
3. Each Trustee of the Fund and each director of GP who has any material direct or indirect ownership, interest or profit participation in outside business enterprises who may have dealings with the Fund shall disclose such interest in writing as aforesaid to the Board.

4. No Trustee of the Fund or director of GP shall accept any gift or hospitality of material value offered or tendered by virtue of their position with the Fund or GP. While expensive gifts and hospitality are never to be accepted, it should be borne in mind that materiality may be determined not only by worth, but by circumstances surrounding the giving and acceptance.
5. Every Trustee of the Fund and director of GP shall, by June 30th of each year, complete the Conflict of Interest Statement attached hereto as Schedule "A" and return it to the Board.
6. No loans shall be made by the Fund or GP to any Related Party of the Fund or GP without the prior approval the Board.



**SCHEDULE "A"**

**CONFLICT OF INTEREST STATEMENT**

**TO: BOSTON PIZZA ROYALTIES INCOME FUND (the "Fund"):**

I have read and understand the Fund's Conflict of Interest Policy and hereby declare that I:

- have no interest in any private or personal business which may conflict with the duties and responsibilities owed to the Fund by virtue of my being a Trustee of the Fund or my duties and responsibilities owed to Boston Pizza GP Inc. ("GP") by virtue of my being a director of GP or its subsidiaries;
- other than in Boston Pizza International Inc., do not have any material direct or indirect ownership, interest or profit participation in outside business enterprises which have or are contemplating having dealings with the Fund or GP or its subsidiaries;
- have not accepted, and will not accept any gift or hospitality of material value offered or tendered by virtue of my position as a Trustee of the Fund or as a director of GP;
- with the exception(s) of:  
  
\_\_\_\_\_  
  
\_\_\_\_\_  
  
\_\_\_\_\_  
  
\_\_\_\_\_
- agree to be bound to the Conflict of Interest Policy of the Fund.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name

\_\_\_\_\_  
Position

\_\_\_\_\_  
Date