

BOSTON PIZZA ROYALTIES INCOME FUND

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.