

BOSTON PIZZA ROYALTIES INCOME FUND

ANNUAL INFORMATION FORM

For the year ended December 31, 2023

February 13, 2024

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GLOSSARY

In this Annual Information Form, the following terms have the meanings ascribed to them in this Glossary, and terms defined elsewhere in this Annual Information Form have the meanings ascribed to them in this Annual Information Form.

"**2015 Transaction**" has the meaning ascribed to it under "General Development of the Business – 2015 Transaction".

"**2017 Reorganization**" means the reorganization of BPI that was announced by the Fund and BPI on September 19, 2017 pursuant to which Jim Treliving and George Melville, BPI's then chairmen and owners, effected an internal reorganization of their jointly-owned assets that resulted in Mr. Treliving acquiring 100% of the economic interest in BPI, while Mr. Melville became the single largest individual owner of Units.

"**2020 Special Distribution**" has the meaning ascribed to it under "Description of the Fund – Cash Distributions – Special Distributions".

"**2022 Special Distribution**" has the meaning ascribed to it under "Description of the Fund – Cash Distributions – Special Distributions".

"**2023 NCIB**" means the normal course issuer bid through the facilities of the TSX, other designated exchanges and/or alternative Canadian trading systems that commenced on June 20, 2023 and will expire on June 19, 2024, which permits the Fund to repurchase for cancellation up to 400,000 Units.

"**Additional Entitlements**" means, collectively, the Class B Additional Entitlements and the Class 2 Additional Entitlements, and at any time after Exchange Rights have been exercised in respect of the Class 3 GP Units, Class 4 GP Units or Class 5 GP Units, the Class 3 Additional Entitlements, Class 4 Additional Entitlements or Class 5 Additional Entitlements, respectively.

"**Adjustment Date**" means January 1 of each calendar year.

"**Administration Agreement**" means the amended and restated administration agreement dated September 22, 2008 among the Fund, the Trust, Holdings LP, Holdings GP and Royalties LP, pursuant to which Royalties LP has agreed to provide or arrange for the provision of services required for the administration of the Fund, the Trust, Holdings LP and Holdings GP.

"**affiliate**" has the meaning set out in Ontario Securities Commission Rule 45-501.

"**Bank**" means the Canadian chartered bank providing the Credit Facilities (and who provided the Original Credit Facilities and Prior Credit Facilities) to Holdings LP and Royalties LP, providing the BPI Credit Facilities (and who provided the Original BPI Credit Facilities, Prior BPI Credit Facilities and BCAP Loan) to BPI (and who provided the F&J Credit Facility to F&J).

"**BCAP Loan**" has the meaning ascribed to it under "General Development of the Business – Repayment of F&J Credit Facility and BCAP Loan – BCAP Loan".

"**BDC**" means the Business Development Bank of Canada.

"**BDC Facilities**" has the meaning ascribed to it under "General Development of the Business – Repayment of BDC Facilities".

"**Book-Entry Only System**" has the meaning ascribed to it under "Description of the Fund – Book-Entry Only System".

"**Boston Pizza**" means the business of BPI, BP Canada LP, their affiliated entities and franchisees.

"**Boston Pizza Restaurants**" refers to the casual dining pizza and pasta restaurants operated by BPI and BP Canada LP, their affiliated entities, related parties or franchisees in Canada.

"**BP Canada Exchange Agreement**" means, at any time on or after September 27, 2017, the amended and restated exchange agreement dated September 27, 2017 among the Fund, BPI, the Trust, Holdings LP, BP Canada LP and BPCHP providing for, among other things, the Exchange Rights in respect of the Class 2 GP Units, Class 3 GP Units, Class 4 GP Units and Class 5 GP Units, and at any time prior to September 27, 2017, the prior version of that agreement in effect. See "The Exchange Rights".

"**BP Canada GP Units**" means, collectively, the Class 2 GP Units, Class 3 GP Units, Class 4 GP Units, Class 5 GP Units and Class 6 GP Units of BP Canada LP.

"**BP Canada Limited Partnership Agreement**" means the limited partnership agreement dated April 2, 2015 between BPI and Holdings LP, as amended by an amending agreement dated September 27, 2017 among BPI, Holdings LP and BPCHP, by which BP Canada LP is governed.

"**BP Canada LP**" means Boston Pizza Canada Limited Partnership, a limited partnership formed under the laws of the Province of British Columbia pursuant to the BP Canada Limited Partnership Agreement.

"**BP Canada LP Securities**" means, collectively, the BP Canada LP Units and BP Canada GP Units in the capital of BP Canada LP.

"**BP Canada LP Units**" means collectively the Class 1 LP Units, Class 2 LP Units, Class 3 LP Units, Class 4 LP Units and Class 5 LP Units.

"**BP Licensed Marks Sublicense Agreement**" means the BP licensed marks sublicense agreement dated April 6, 2015 between BPI and BP Canada LP pursuant to which BPI sublicensed the BP Rights to BP Canada LP. See "BP Licensed Marks Sublicense Agreement".

"**BP Rights**" means:

(i) all rights held by Royalties LP in Canada and licensed to BPI pursuant to the License and Royalty Agreement, including all Canadian trade-mark registrations and pending Canadian trade-mark applications, in and to the following trade-marks:

BP & Design (Canadian registration no. TMA171429)

BP & Design (Canadian registration no. TMA181249)

BP BOSTON PIZZA DELIVERY & Design (Canadian registration no. TMA804670)

BP BOSTON PIZZA LIVRAISON & Design (Canadian registration no. TMA778093)

BPC BRAND PROFITABILITY SERVICE & Shield and Banner Design (Canadian registration no. TMA695413)

BP CHAMBRE DES JOUEURS & Shield and Banner Design (Canadian registration no. TMA1048765)

BP FONDATION BOSTON PIZZA & Design (Canadian registration no. TMA734023)

BP KIDS Roundel Design (Canadian registration no. TMA818934)

BP KIDS Roundel & Word Design (Canadian registration no. TMA818932)

BP's BISTRO (Canadian registration no. TMA362359)

BP's LOUNGE (Canadian registration no. TMA293639)

BOSTON CREAM PIESCRAPER (Canadian registration no. TMA906883)

BOSTON PIZZA (Canadian registration no. TMA171428)

BOSTON PIZZA COLLEGE (Canadian registration no. TMA653655)

BOSTON PIZZA FOUNDATION (Canadian registration no. TMA732332)

BOSTON PIZZA FOUNDATION & Design (Canadian registration no. TMA732334)

BOSTON PIZZA QUICK EXPRESS (Canadian registration no. TMA429024)

BOSTON PIZZA RESTAURANT & SPORTS BAR (Canadian registration no. TMA629841)

BOSTON'S THE GOURMET PIZZA (Canadian registration no. TMA410558)

BRAND PROFITABILITY SERVICE & Banner Design (Canadian registration no. TMA695411)

COLLÉGE BOSTON PIZZA (Canadian registration no. TMA916567)

ENFANTS BP Roundel Design (Canadian registration no. TMA818933)

ENFANTS BP Roundel & Word Design (Canadian registration no. TMA818931)

FONDATION BOSTON PIZZA (Canadian registration no. TMA734027)

MonBP (Canadian registration no. TMA1008577)

MYBP (Canadian registration no. TMA968758)

SERVICE PROFITABILITY Brand, Shield & Banner Design (Canadian registration no. TMA906286)

SERVICE RENTABILITÉ Marque, Shield & Banner Design (Canadian registration no. TMA906285)

(ii) all rights held by Royalties LP in Canada and licensed to BPI pursuant to the License and Royalty Agreement in and to any unregistered trademarks used in the business of BPI which contain the word "Boston" or "Boston's" or the letters "BP" or the BP design; and

(iii) all rights held by Royalties LP in Canada and licensed to BPI pursuant to the License and Royalty Agreement in any trade names confusingly similar to any of the foregoing trademarks.

"**BPCHP**" means Boston Pizza Canada Holdings Partnership, a general partnership formed under the laws of the Province of British Columbia by BPI and Boston Pizza Canada Holdings Inc.

"**BPI**" means Boston Pizza International Inc., a company existing under the CBCA, and where applicable also includes its wholly-owned subsidiaries.

"**BPI Class B Unit entitlement**" is the interest expense on Class B Units in respect of a period plus management's estimate of how much cash BPI would be entitled to receive pursuant to the Royalties Limited Partnership Agreement on its Class B Units if Royalties LP fully distributed any residual cash generated in respect of that period after the Fund pays interest on long-term debt, principal repayments on long-term debt and SIFT Tax on Units in respect of that period.[1]

1 "**BPI Class B Unit entitlement**" is a supplementary financial measure under National Instrument 52-112 *Non-GAAP and Other Financial Measures Disclosure* ("**NI 52-112**") and therefore may not be comparable to similar measures presented by other issuers. Management believes that the BPI Class B Unit entitlement is an important component in calculating Distributable Cash since it represents the amount of residual cash generated that BPI would be entitled to receive and therefore would not be available for distribution to Unitholders. Management prepares such estimate using reasonable and supportable assumptions that reflect the Fund's planned courses of action given management's judgment about the most probable set of economic conditions.

"**BPI Credit Agreement**" means the first amended and restated credit agreement dated January 24, 2020 between the Bank and BPI.

"**BPI Credit Facilities**" means the credit facilities provided by the Bank to BPI in the amount of up to $21.6 million as at December 31, 2023 (originally $43.3 million), expiring on July 1, 2026 pursuant to the BPI Credit Agreement, First Supplemental BPI Credit Agreement and Second Supplemental BPI Credit Agreement.

"**BPI GSA**" means the amended and restated general security agreement dated October 5, 2017 granted by BPI in favour of Royalties LP to secure the Royalty Obligations, as amended by the Pandemic Recovery Plan Amendment Agreement and GSA Amending Agreement.

"**BPI's Subsidiaries**" means, collectively:

(i) BP Canada LP; and

(ii) each of the following wholly-owned subsidiaries of BPI: (a) Boston Pizza Canada Holdings Inc.; (b) BPCHP; (c) F&J; (d) Lansdowne Holdings Ltd.; (e) Laval Corporate Training Centre Inc.; (f) Winston Churchill Pizza Ltd.; and after March 15, 2018, (g) Stadium District Pizza Ltd.; and (h) Theatre District Pizza Ltd.[2]

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

"**CDS**" means CDS Clearing and Depository Services Inc.

"**Class 1 Distribution**" has the meaning ascribed to it under "Description of BP Canada LP – Available Cash / Distributions".

"**Class 1 LP Units**" means the Class 1 limited partnership units of BP Canada LP held by Holdings LP or a permitted transferee.

"**Class 2 Additional Entitlements**" means the right to acquire additional Units that BPI receives in return for adding net additional Distribution Income to the Royalty Pool in respect of the 1.5% increased Franchise Sales Participation on Adjustment Dates occurring from and after January 1, 2016.

"**Class 2 Determined Amount**" means the amount, calculated as at the end of each Fiscal Year, in respect of the Adjustment Date in the next following Fiscal Year determined in the manner described under "Annual Adjustment to Royalty Pool – Calculation of Annual Adjustments".

"**Class 2 Distribution**" has the meaning ascribed to it under "Description of BP Canada LP – Available Cash / Distributions".

"**Class 2 Distribution Limit**" means at any time the number, calculated in accordance with the BP Canada Limited Partnership Agreement, used to determine the amount of any distributions to be made on the Class 2 GP Units at that time. See "Annual Adjustment to Royalty Pool".

"**Class 2 Exchange Limit**" means at any time the Class 2 Exchange Limit immediately before that time,

(i) plus, where that time is an Adjustment Date,

2 Lansdowne Holdings Ltd., Winston Churchill Pizza Ltd. and Theatre District Pizza Ltd. were voluntarily dissolved in November 2021. In conjunction with their voluntary dissolution, BPI assumed all liabilities of Lansdowne Holdings Ltd., Winston Churchill Pizza Ltd. and Theatre District Pizza Ltd., including those obligations described in this Annual Information Form.

(a) 80% of the estimated Class 2 Determined Amount for that date divided by the Current Market Price of a Unit on that date; and

(b) the amount, whether positive or negative, equal to (1) the Class 2 Determined Amount on the immediately preceding Adjustment Date, if any, divided by the Current Market Price of a Unit on that preceding date, less (2) the amount determined under (a) on that preceding date,

(ii) less the number of Class 2 GP Units exchanged on that date, if any, multiplied by the Class 2 Exchange Multiplier on that date.

"**Class 2 Exchange Multiplier**" means at any time the Class 2 Exchange Limit on such date divided by the number of Class 2 GP Units outstanding on that date.

"**Class 2 GP Units**" means the Class 2 general partnership units of BP Canada LP held by BPI or any Related Party.

"**Class 2 Holdback**" has the meaning ascribed to it under "General Development of the Business – Adjustments to the Royalty Pool".

"**Class 2 LP Units**" means the Class 2 limited partnership units of BP Canada LP held by Holdings LP or a permitted transferee.

"**Class 2 Relative Percentage Interest**" has the meaning ascribed to it under "The Exchange Rights – Restrictions on Exchanges".

"**Class 3 Additional Entitlements**" means the right to acquire additional Units that BPI receives in return for adding net additional Distribution Income to the Royalty Pool in respect of the 0.5% increased Franchise Sales Participation for Adjustment Dates occurring after the Class 3 GP Units are initially exchanged.

"**Class 3 Determined Amount**" means the amount, calculated as at the end of each Fiscal Year, in respect of the Adjustment Date in the next following Fiscal Year determined in the manner described under "Annual Adjustment to Royalty Pool – Calculation of Annual Adjustments".

"**Class 3 Distribution**" has the meaning ascribed to it under "Description of BP Canada LP – Available Cash / Distributions".

"**Class 3 Distribution Limit**" means at any time the number, calculated in accordance with the BP Canada Limited Partnership Agreement, used to determine the amount of any distributions to be made on the Class 3 GP Units at that time. See "Annual Adjustment to Royalty Pool".

"**Class 3 Exchange Condition**" has the meaning ascribed to it under "The Exchange Rights – Class 2 GP Units, Class 3 GP Units, Class 4 GP Units and Class 5 GP Units".

"**Class 3 Exchange Limit**" means, on the date it is determined that the Class 3 GP Units may be exchanged for Units, the Class 3 Initial Exchange Limit and at any time thereafter means the Class 3 Exchange Limit immediately before that time:

(i) plus, on the first Adjustment Date following date on which it is determined that the Class 3 GP Units may be exchanged for Units, the amount whether positive or negative equal to (1) the amount determined by calculating the Class 3 Initial Exchange Limit with reference to 100% of audited Franchise Sales in respect of the Class 3 Reference Period rather than 80% of estimated Franchise Sales in respect of the Class 3 Reference Period less (2) the Class 3 Initial Exchange Limit;

(ii) plus, on any other Adjustment Date following the date of the initial exchange of Class 3 GP Units:

(a) 80% of the estimated Class 3 Determined Amount at that time divided by the Current Market Price of a Unit on that date; and

(b) the amount whether positive or negative equal to (1) the Class 3 Determined Amount on the immediately preceding Adjustment Date, if any, divided by the Current Market Price of a Unit on such immediately preceding Adjustment Date less (2) the amount determined under (a) of this definition on such immediately preceding Adjustment Date; and

(iii) less, on any date on which Class 3 GP Units are exchanged for Units or a combination of cash and Units pursuant to the BP Canada Exchange Agreement, the number of Class 3 GP Units exchanged on that date multiplied by the Class 3 Exchange Multiplier on such date.

"**Class 3 Exchange Multiplier**" means at any time the Class 3 Exchange Limit on such date divided by the number of Class 3 GP Units outstanding on that date.

"**Class 3 GP Units**" means the Class 3 general partnership units of BP Canada LP held by BPI or any Related Party.

"**Class 3 Initial Exchange Limit**" means the amount determined by the following formula:

$$\frac{0.925 \times A \times (1 - B)}{C}$$

Where:

A is 0.5% of the aggregate of (i) the total audited Franchise Sales in respect of the Class 3 Reference Period for Boston Pizza Restaurants that were in the Royalty Pool throughout the entirety of the Class 3 Reference Period, and (ii) 80% of estimated Franchise Sales in respect of the Class 3 Reference Period for Boston Pizza Restaurants that were added to the Royalty Pool after the beginning of such period for the first calendar year after which those Boston Pizza Restaurants were added to the Royalty Pool;

B is the sum of the Fund's (i) net corporate income tax rate, and (ii) provincial SIFT Tax rate, in each case, expressed as a decimal, for the most recently completed Fiscal Year; and

C is Distributable Cash for the most recently completed Fiscal Year divided by the weighted average number of issued and outstanding Units during the most recently completed Fiscal Year.

"**Class 3 LP Units**" means the Class 3 limited partnership units of BP Canada LP that may be issued in the future to Holdings LP or a permitted transferee in exchange for Class 3 GP Units from BPI or any Related Party pursuant to the BP Canada Exchange Agreement.

"**Class 3 Reference Period**" means the most recent 12-month period that was used in determining that the Class 3 Exchange Condition has been satisfied.

"**Class 3 Relative Percentage Interest**" has the meaning ascribed to it under "The Exchange Rights – Restrictions on Exchanges".

"**Class 4 Additional Entitlements**" means the right to acquire additional Units that BPI receives in return for adding net additional Distribution Income to the Royalty Pool in respect of the 0.5% increased Franchise Sales Participation for Adjustment Dates occurring after the Class 4 GP Units are initially exchanged.

"**Class 4 Determined Amount**" means the amount, calculated as at the end of each Fiscal Year, in respect of the Adjustment Date in the next following Fiscal Year determined in the manner described under "Annual Adjustment to Royalty Pool – Calculation of Annual Adjustments".

"**Class 4 Distribution**" has the meaning ascribed to it under "Description of BP Canada LP – Available Cash / Distributions".

"**Class 4 Distribution Limit**" means at any time the number, calculated in accordance with the BP Canada Limited Partnership Agreement, used to determine the amount of any distributions to be made on the Class 4 GP Units at that time. See "Annual Adjustment to Royalty Pool".

"**Class 4 Exchange Condition**" has the meaning ascribed to it under "The Exchange Rights – Class 2 GP Units, Class 3 GP Units, Class 4 GP Units and Class 5 GP Units".

"**Class 4 Exchange Limit**" means, on the date it is determined that the Class 4 GP Units may be exchanged for Units, the Class 4 Initial Exchange Limit and at any time thereafter means the Class 4 Exchange Limit immediately before that time:

(i) plus, on the first Adjustment Date following the date on which it is determined that the Class 4 GP Units may be exchanged for Units, the amount whether positive or negative equal to (1) the amount determined by calculating the Class 4 Initial Exchange Limit with reference to 100% of audited Franchise Sales in respect of the Class 4 Reference Period rather than 80% of estimated Franchise Sales in respect of the Class 4 Reference Period less (2) the Class 4 Initial Exchange Limit;

(ii) plus, on any other Adjustment Date following the date of the initial exchange of Class 4 GP Units:

(a) 80% of the estimated Class 4 Determined Amount at that time divided by the Current Market Price of a Unit on that date; and

(b) the amount whether positive or negative equal to (1) the Class 4 Determined Amount on the immediately preceding Adjustment Date, if any, divided by the Current Market Price of a Unit on such immediately preceding Adjustment Date less (2) the amount determined under (a) of this definition on such immediately preceding Adjustment Date; and

(iii) less, on any date on which Class 4 GP Units are exchanged for Units or a combination of cash and Units pursuant to the BP Canada Exchange Agreement, the number of Class 4 GP Units exchanged on that date multiplied by the Class 4 Exchange Multiplier on such date.

"**Class 4 Exchange Multiplier**" means at any time the Class 4 Exchange Limit on such date divided by the number of Class 4 GP Units outstanding on that date.

"**Class 4 GP Units**" means the Class 4 general partnership units of BP Canada LP held by BPI or any Related Party.

"**Class 4 Initial Exchange Limit**" means the amount determined by the following formula:

$$\frac{0.925 \times A \times (1 - B)}{C}$$

Where:

A is 0.5% of the aggregate of (i) the total audited Franchise Sales in respect of the Class 4 Reference Period for Boston Pizza Restaurants that were in the Royalty Pool throughout the entirety of the Class 4 Reference Period, and (ii) 80% of estimated Franchise Sales in respect of the Class 4 Reference Period for Boston Pizza Restaurants that were added to the Royalty Pool after the beginning of such period for the first calendar year after which those Boston Pizza Restaurants were added to the Royalty Pool;

B is the sum of the Fund's (i) net corporate income tax rate, and (ii) provincial SIFT Tax rate, in each case, expressed as a decimal, for the most recently completed Fiscal Year; and

C is Distributable Cash for the most recently completed Fiscal Year divided by the weighted average number of issued and outstanding Units during the most recently completed Fiscal Year.

"**Class 4 LP Units**" means the Class 4 limited partnership units of BP Canada LP that may be issued in the future to Holdings LP or a permitted transferee in exchange for Class 4 GP Units from BPI or any Related Party pursuant to the BP Canada Exchange Agreement.

"**Class 4 Reference Period**" means the most recent 12-month period that was used in determining that the Class 4 Exchange Condition has been satisfied.

"**Class 4 Relative Percentage Interest**" has the meaning ascribed to it under "The Exchange Rights – Restrictions on Exchanges".

"**Class 5 Additional Entitlements**" means the right to acquire additional Units that BPI receives in return for adding net additional Distribution Income to the Royalty Pool in respect of the 0.5% increased Franchise Sales Participation for Adjustment Dates occurring after the Class 5 GP Units are initially exchanged.

"**Class 5 Determined Amount**" means the amount, calculated as at the end of each Fiscal Year, in respect of the Adjustment Date in the next following Fiscal Year determined in the manner described under "Annual Adjustment to Royalty Pool – Calculation of Annual Adjustments".

"**Class 5 Distribution**" has the meaning ascribed to it under "Description of BP Canada LP – Available Cash / Distributions".

"**Class 5 Distribution Limit**" means at any time the number, calculated in accordance with the BP Canada Limited Partnership Agreement, used to determine the amount of any distributions to be made on the Class 5 GP Units at that time. See "Annual Adjustment to Royalty Pool".

"**Class 5 Exchange Condition**" has the meaning ascribed to it under "The Exchange Rights – Class 2 GP Units, Class 3 GP Units, Class 4 GP Units and Class 5 GP Units".

"**Class 5 Exchange Limit**" means, on the date it is determined that the Class 5 GP Units may be exchanged for Units, the Class 5 Initial Exchange Limit and at any time thereafter means the Class 5 Exchange Limit immediately before that time:

(i) plus, on the first Adjustment Date following date on which it is determined that the Class 5 GP Units may be exchanged for Units, the amount whether positive or negative equal to (1) the amount determined by calculating the Class 5 Initial Exchange Limit with reference to 100% of audited Franchise Sales in respect of the Class 5 Reference Period rather than 80% of estimated Franchise Sales in respect of the Class 5 Reference Period less (2) the Class 5 Initial Exchange Limit;

(ii) plus, on any other Adjustment Date following the date of the initial exchange of Class 5 GP Units:

(a) 80% of the estimated Class 5 Determined Amount at that time divided by the Current Market Price of a Unit on that date; and

(b) the amount whether positive or negative equal to (1) the Class 5 Determined Amount on the immediately preceding Adjustment Date, if any, divided by the Current Market Price of a Unit on such immediately preceding Adjustment Date less (2) the amount determined under (a) of this definition on such immediately preceding Adjustment Date; and

(iii) less, on any date on which Class 5 GP Units are exchanged for Units or a combination of cash and Units pursuant to the BP Canada Exchange Agreement, the number of Class 5 GP Units exchanged on that date multiplied by the Class 5 Exchange Multiplier on such date.

"**Class 5 Exchange Multiplier**" means at any time the Class 5 Exchange Limit on such date divided by the number of Class 5 GP Units outstanding on that date.

"**Class 5 GP Units**" means the Class 5 general partnership units of BP Canada LP held by BPI or any Related Party.

"**Class 5 Initial Exchange Limit**" means the amount determined by the following formula:

$$\frac{0.925 \times A \times (1 - B)}{C}$$

Where:

A is 0.5% of the aggregate of (i) the total audited Franchise Sales in respect of the Class 5 Reference Period for Boston Pizza Restaurants that were in the Royalty Pool throughout the entirety of the Class 5 Reference Period, and (ii) 80% of estimated Franchise Sales in respect of the Class 5 Reference Period for Boston Pizza Restaurants that were added to the Royalty Pool after the beginning of such period for the first calendar year after which those Boston Pizza Restaurants were added to the Royalty Pool;

B is the sum of the Fund's (i) net corporate income tax rate, and (ii) provincial SIFT Tax rate, in each case, expressed as a decimal, for the most recently completed Fiscal Year; and

C is Distributable Cash for the most recently completed Fiscal Year divided by the weighted average number of issued and outstanding Units during the most recently completed Fiscal Year.

"**Class 5 LP Units**" means the Class 5 limited partnership units of BP Canada LP that may be issued in the future to Holdings LP or a permitted transferee in exchange for Class 5 GP Units from BPI or any Related Party pursuant to the BP Canada Exchange Agreement.

"**Class 5 Reference Period**" means the most recent 12-month period that was used in determining that the Class 5 Exchange Condition has been satisfied.

"**Class 5 Relative Percentage Interest**" has the meaning ascribed to it under "The Exchange Rights – Restrictions on Exchanges".

"**Class 6 GP Units**" means the Class 6 general partnership units of BP Canada LP held by BPI or any Related Party.

"**Class A Units**" means Class A limited partner units of Royalties LP held by Holdings LP or a permitted transferee.

"**Class B Additional Entitlements**" means the right to acquire additional Units that BPI receives in return for adding net additional Royalty to the Royalty Pool.

"**Class B Determined Amount**" means the amount, calculated as at the end of each Fiscal Year, in respect of the Adjustment Date in the next following Fiscal Year determined in the manner described under "Annual Adjustment to Royalty Pool – Calculation of Annual Adjustments".

"**Class B Distribution Limit**" means at any time the number, calculated in accordance with the Royalties Limited Partnership Agreement, used to determine the amount of any distributions to be made on the Class B Units at that time.

"**Class B Exchange Limit**" means at any time the Class B Exchange Limit immediately before that time

(i) plus, where that time is an Adjustment Date,

(a) 80% of the estimated Class B Determined Amount for that date divided by the Current Market Price of a Unit on that date; and

(b) the amount, whether positive or negative, equal to (1) the Class B Determined Amount on the immediately preceding Adjustment Date, if any, divided by the Current Market Price of a Unit on that preceding date, less (2) the amount determined under (a) on that preceding date,

(ii) less the number of Class B Units exchanged on that date, if any, multiplied by the Class B Exchange Multiplier on that date.

"**Class B Exchange Multiplier**" means at any time the Class B Exchange Limit on such date divided by the number of Class B Units outstanding on that date.

"**Class B Holdback**" has the meaning ascribed to it under "General Development of the Business – Adjustments to the Royalty Pool".

"**Class B Relative Percentage Interest**" has the meaning ascribed to it under "The Exchange Rights – Restrictions on Exchanges".

"**Class B Units**" means the Class B general partner units of Royalties LP held by BPI or any Related Party.

"**Class C GP Units**" means the Class C general partner units of Royalties LP formerly held by BPI.

"**Class C LP Units**" means the Class C limited partner units of Royalties LP held by Holdings LP or a permitted transferee.

"**Class C Units**" means collectively the Class C GP Units and Class C LP Units.

"**Class D Units**" means the Class D limited partner units of Royalties LP which are acquired by Holdings LP in exchange for Class B Units from BPI or any Related Party pursuant to the Royalties Exchange Agreement.

"**Closed Restaurants**" means any Boston Pizza Restaurant that has permanently closed.

"**Committed Retained Interest**" has the meaning ascribed to it under "The Exchange Rights – Restrictions on Exchanges".

"**Consent and Indemnity Agreement**" has the meaning ascribed to it under "Description of Other Material Contracts – Consent and Indemnity Agreement".

"**COVID-19**" means the coronavirus disease declared as a pandemic on March 11, 2020 by the World Health Organization.

"**Credit Agreement**" means the first amended and restated credit agreement dated January 24, 2020 among the Bank, Royalties LP, Holdings LP, Royalties GP, Holdings GP, the Fund and the Trust.

"**Credit Facilities**" has the meaning ascribed to it under "General Development of the Business – June 2022 Amendment to the Fund's and BPI's Credit Facilities – Amendment to Fund's Credit Facilities".

"**Current Market Price of a Unit**" means as at any date or for any period, the weighted average price per Unit at which the Units have traded on a stock exchange during the period of 20 consecutive trading days ending on the fifth trading day before such date or the end of each period.

"**Declaration of Trust**" means the amended and restated declaration of trust dated December 7, 2010 by which the Fund is governed.

"**Deficiency**" has the meaning ascribed to it under "General Development of the Business – Adjustments to the Royalty Pool".

"**Distributable Cash**" means, in respect of any particular period, the Fund's cash flows generated from operating activities for that period (being the most comparable financial measure in the Fund's primary financial statements) minus (a) the BPI Class B Unit entitlement in respect of the period, minus (b) interest paid on long-term debt during the period, minus (c) principal repayments on long-term debt that are contractually required to be made during the period, minus (d) the current income tax expense in respect of the period, plus (e) current income tax paid during the period (the sum of (d) and (e) being SIFT Tax on Units).[3]

"**Distribution Income**" means the distributions received by Holdings LP from BP Canada LP on the BP Canada LP Units held by Holdings LP.

"**Eastern Canada**" means that part of Canada containing the Provinces of New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario and Prince Edward Island.

"**EBITDA**" means the trailing four quarter earnings before interest, taxes and depreciation and amortization, based on accounting policies consistent with those policies applied in preparation of the fiscal year-end audited financial statements.

"**EDC**" means Export Development Canada.

"**Eligible Debt**" means any debt that Holdings LP has incurred and used for the specific purpose of (a) subscribing for Class 1 LP Units (which currently includes the amount drawn on Facility D of the Credit Facilities), or (b) in the event that the Fund pays cash in lieu of issuing Units in connection with any exercise

3 "**Distributable Cash**" is a non-GAAP financial measure under NI 52-112. Distributable Cash is not a standardized financial measure under IFRS and may not be comparable to similar financial measures disclosed by other issuers. Management believes that Distributable Cash provides investors with useful information about the amount of cash the Fund has generated and has available for distribution on the Units in respect of any period. A quantitative reconciliation from this non-GAAP financial measure to cash flows generated from operating activities, which is the most directly comparable IFRS measure, is contained within the tables on pages 1 through 3 in the "Financial Highlights" section of the Management Discussion and Analysis for the Fund dated February 13, 2024 for the period and year ended December 31, 2023 (the "**2023 MD&A**"), and is incorporated by reference into this Annual Information Form. A copy of the 2023 MD&A is available on SEDAR+ at www.sedarplus.ca.

of Exchange Rights, funding the cash portion to be paid by the Fund in connection with such exercise of Exchange Rights.

"**Exchange Conditions**" has the meaning ascribed to it under "The Exchange Rights – Class 2 GP Units, Class 3 GP Units, Class 4 GP Units and Class 5 GP Units".

"**Exchange Rights**" means the right of BPI (or a Related Party to which BPI has transferred Royalties LP Securities or BP Canada LP Securities in accordance with the Governance Agreement) in respect of: (a) the Class B Units, to exchange one Class B Unit for the number of Units equal to the Class B Exchange Multiplier at that time; and (b) the Class 2 GP Units, Class 3 GP Units, Class 4 GP Units and Class 5 GP Units, to exchange one Class 2 GP Unit, Class 3 GP Unit, Class 4 GP Unit or Class 5 GP Unit for the number of Units (or cash equivalent therefor) equal to the Class 2 Exchange Multiplier, Class 3 Exchange Multiplier, Class 4 Exchange Multiplier or Class 5 Exchange Multiplier, respectively, at that time.

"**Exchange Statements**" has the meaning ascribed to it under "The Exchange Rights – Class 2 GP Units, Class 3 GP Units, Class 4 GP Units and Class 5 GP Units".

"**F&J**" means Front & John Pizza Ltd., a corporation incorporated under the laws of the Province of Ontario, and a wholly-owned subsidiary of BPI.

"**F&J Credit Facility**" has the meaning ascribed to it under "General Development of the Business – Repayment of F&J Credit Facility and BCAP Loan – F&J Credit Facility".

"**Facility A**" has the meaning ascribed to it under "Credit Facilities".

"**Facility B**" has the meaning ascribed to it under "Credit Facilities".

"**Facility D**" has the meaning ascribed to it under "Credit Facilities".

"**Facility Distributable Cash** " has the meaning ascribed to it under "Credit Facilities".

"**First Supplemental BPI Credit Agreement**" means the First Supplemental Credit Agreement dated June 22, 2020 between BPI and the Bank.

"**First Supplemental Credit Agreement**" means the First Supplemental Credit Agreement dated June 22, 2020 among the Bank, Royalties LP, Holdings LP, Royalties GP, Holdings GP, the Fund and the Trust.

"**Fiscal Year**" means January 1 to December 31 in a calendar year.

"**Franchised Boston Pizza Restaurants**" means Boston Pizza Restaurants owned and operated by the owners thereof under franchise agreements with BP Canada LP which are operated in Canada.

"**Franchise Sales**" is the basis on which Royalty and Distribution Income is payable and is Gross Sales after deducting revenue from the sale of liquor, beer, wine and revenue from BP Canada LP approved national promotions and discounts.[4]

"**Franchise Sales Participation**" has the meaning ascribed to it under "General Development of the Business – 2015 Transaction".

4 "**Franchise Sales**" is a supplementary financial measure under NI 52-112 and therefore may not be comparable to similar measures presented by other issuers. However, Franchise Sales of Boston Pizza Restaurants in the Royalty Pool is reported in the Fund's financial statements in accordance with IFRS. The Fund and BPI believe that Franchise Sales (as opposed to Franchise Sales of Boston Pizza Restaurants in the Royalty Pool) provides useful information to investors regarding the performance of Boston Pizza with respect to sales upon which BP Canada LP earns royalty and contributions into its cooperative advertising fund.

"**Fund**" means Boston Pizza Royalties Income Fund, a limited purpose open-ended trust established under the laws of the Province of British Columbia.

"**Governance Agreement**" means the amended and restated governance agreement dated September 29, 2017 among the Fund, the Trust, BP Canada LP, BPI, Royalties LP, Royalties GP, Holdings LP, Holdings GP, James Treliving Holdings Ltd. and BPCHP providing for, among other things, the governance of Royalties GP.

"**Gross Sales**" is the gross revenue: (i) of the corporate Boston Pizza Restaurants in Canada owned by BPI; and (ii) reported to BP Canada LP by Franchised Boston Pizza Restaurants in Canada, without audit or other form of independent assurance, and in the case of both (i) and (ii) including revenue from the sale of liquor, beer, wine and revenue from BP Canada LP approved national promotions and discounts, but excluding applicable sales and similar taxes.[5]

"**GSA Amending Agreement**" has the meaning ascribed to it under "General Development of the Business – June 2022 Amendment to the Fund's and BPI's Credit Facilities – Amendment to BPI GSA and Subsidiaries GSAs".

"**Holdback**" has the meaning ascribed to it under "General Development of the Business – Adjustments to the Royalty Pool".

"**Holdings GP**" means Boston Pizza Holdings GP Inc., a company incorporated under the laws of the Province of British Columbia.

"**Holdings Limited Partnership Agreement**" means the limited partnership agreement dated September 17, 2008 between the Trust and Holdings GP by which Holdings LP is governed.

"**Holdings LP**" means Boston Pizza Holdings Limited Partnership, a limited partnership formed under the laws of the Province of British Columbia pursuant to the Holdings Limited Partnership Agreement.

"**Holdings LP Swap Agreement**" means the International Swap Dealers Association Master Agreement dated May 6, 2015 entered into by Holdings LP and the Bank.

"**Holdings LP Units**" means the limited partner units of Holdings LP.

"**IFRS**" means IFRS Accounting Standards, as amended from time to time.

"**License**" means the exclusive and unlimited license to use the BP Rights in Canada for a period of 99 years from July 17, 2002 granted by Royalties LP to BPI pursuant to the License and Royalty Agreement.

"**License and Royalty Agreement**" means the license and royalty agreement dated July 17, 2002, as amended as of May 9, 2005, between Royalties LP and BPI pursuant to which Royalties LP has granted the License to BPI and BPI has agreed to pay the Royalty.

"**LP Units**" means the ordinary limited partner units of Royalties LP.

"**Net Royalty and Distribution Income**" has the meaning ascribed to it under "General Development of the Business – Adjustments to the Royalty Pool".

"**New Restaurants**" means, at any time, Boston Pizza Restaurants which are not included in the Royalty Pool at such time.

5 "**Gross Sales**" is a supplementary financial measure under NI 52-112 and therefore may not be comparable to similar measures presented by other issuers. The Fund and BPI believe that Gross Sales provides useful information to investors regarding the overall performance of Boston Pizza.

"**Non-resident**" means a non-resident of Canada within the meaning of the Tax Act.

"**Normalized EBITDA**", for any period, means BPI's EBITDA (based on the applicable Exchange Statements) adjusted (a) by adding back any royalties paid by BPI to Royalties LP and any management fees paid by BPI to its direct or indirect parent, (b) by deducting or removing any distributions or dividends paid by Royalties LP to BPI and (c) by adding or deducting, as the case may be, the fair value gain or loss on financial assets (and for greater certainty, the distributions on Class 1 LP Units, Class 2 LP Units and, if applicable, any of the Class 3 LP Units, Class 4 LP Units or Class 5 LP Units held by Holdings LP will not be deducted from BPI's EBITDA).

"**Note Indenture**" has the meaning ascribed to it under "Description of the Fund – Trust Notes".

"**Note Trustee**" has the meaning ascribed to it under "Description of the Fund – Trust Notes".

"**Operating Line**" has the meaning ascribed to it under "Description of the Business – BPI Credit Facilities".

"**Order**" has the meaning ascribed to it under "Management – Trustees of the Fund".

"**Original BPI Credit Facilities**" means the senior credit facilities established with the Bank by WJT Acquisition Inc., an entity then owned and controlled by Mr. Treliving, in the amount of $50 million to partially finance the 2017 Reorganization. As part of the 2017 Reorganization, WJT Acquisition Inc. drew down $40 million on such senior credit facilities and amalgamated with BPI such that BPI was the borrower under these credit facilities.

"**Original Credit Facilities**" means the credit facilities provided by the Bank to Holdings LP and Royalties LP in the amount of up to $90.3 million and having a five-year term originally scheduled to expire on May 5, 2020, pursuant to the credit agreement dated May 5, 2015 among the Bank, Royalties LP, Holdings LP, Royalties GP, Holdings GP, the Fund and the Trust.

"**Pandemic Recovery Plan**" has the meaning ascribed to it under "General Development of the Business – Effects of COVID-19 on Boston Pizza".

"**Pandemic Recovery Plan Amendment Agreement**" means the Pandemic Recovery Plan Amendment Agreement dated June 22, 2020 among BPI, Royalties GP, BPCHP, Holdings LP, Royalties LP, Boston Pizza Canada Holdings Inc., James Treliving Holdings Inc. and BPI's Subsidiaries.

"**Permitted Debt Ratio**" has the meaning ascribed to it under "License and Royalty – Guarantee and Security for the Royalty".

"**Prior BPI Credit Facilities**" means the credit facilities provided by the Bank to BPI in the amount of up to $44.0 million and having a five-year term scheduled to expire on January 24, 2025 pursuant to the BPI Credit Agreement.

"**Prior Credit Facilities**" means the credit facilities provided by the Bank to Royalties LP and Holdings LP in the amount of up to $97.0 million and having a five-year term scheduled to expire on January 24, 2025 pursuant to the Credit Agreement.

"**Priority Agreement**" has the meaning ascribed to it under "Description of the Business – BPI Credit Facilities – Security and Covenants".

"**Redemption Price**" has the meaning ascribed to it under "Description of the Fund – Redemption Right".

"**Registration Rights Agreement**" has the meaning ascribed to it under "Description of Other Material Contracts – Registration Rights Agreement".

"**Related Parties**" means, collectively, James Treliving Holdings Ltd., James Treliving (the holder of the beneficial interest in BPI) and Management (from time to time), or any corporation or other entity in which they or any of their associates (or other family members) has a direct or indirect equity interest of 50% or greater, or an associate or affiliate of any of them.

"**ROFO**" has the meaning ascribed to it under "Management – Governance Agreement".

"**ROFO Notice**" has the meaning ascribed to it under "Management – Governance Agreement".

"**Royalties Exchange Agreement**" means the amended and restated exchange agreement dated September 22, 2008 among the Fund, BPI, Royalties GP, the Trust, Holdings LP and BPCHP providing for, among other things, the Exchange Rights in respect of the Class B Units. See "The Exchange Rights".

"**Royalties GP**" means Boston Pizza GP Inc., a company incorporated under the CBCA.

"**Royalties GP Units**" means the ordinary general partner units of Royalties LP.

"**Royalties Limited Partnership Agreement**" means the amended and restated limited partnership agreement dated January 2, 2011 among Royalties GP, Holdings LP and BPI, as amended by an amending agreement dated September 27, 2017 among Royalties GP, BPI, Holdings LP and BPCHP, by which Royalties LP is governed.

"**Royalties LP**" means Boston Pizza Royalties Limited Partnership, a limited partnership formed under the laws of the Province of British Columbia pursuant to the Royalties Limited Partnership Agreement.

"**Royalties LP Securities**" means, collectively, the LP Units, Royalties GP Units, Class A Units, Class B Units, Class C Units and Class D Units in the capital of Royalties LP.

"**Royalties LP Swap Agreement**" means the International Swap Dealers Association Master Agreement dated December 1, 2009 entered into by Royalties LP and the Bank, as amended by an Amendment Agreement dated May 6, 2015.

"**Royalty**" means the 4.0% royalty and other amounts payable by BPI to Royalties LP under the License and Royalty Agreement for the License to use the BP Rights in Canada for 99 years, commencing on July 17, 2002.

"**Royalty Obligations**" means BPI's obligations under the license and royalty agreement dated July 17, 2002, as amended on May 9, 2005 between Royalties LP and BPI, including the obligation to pay the Royalty.

"**Royalty Pool**" means, in any period, all Boston Pizza Restaurants whose Franchise Sales form the basis on which the Royalty is payable by BPI to Royalties LP, and Distribution Income is payable by BP Canada LP to Holdings LP, as described under "License and Royalty – The Royalty", and "Description of BP Canada LP – Available Cash / Distributions".

"**same restaurant sales**" or "**SRS**" means the change in Franchise Sales of Boston Pizza Restaurants as compared to the Franchise Sales for the same period in the previous year (where restaurants were open for a minimum of 24 months).[6]

6 "**Same Restaurant Sales**" or "**SRS**" is a supplementary financial measure under NI 52-112 and therefore may not be comparable to similar measures presented by other issuers. Prior to the fourth quarter of 2021, the Fund defined SRS as the change in gross revenues of Boston Pizza Restaurants as compared to the gross revenues for the same period in the previous year (where restaurants were open for a minimum of 24 months). Commencing with the fourth quarter of 2021, the Fund defines SRS as the change in Franchise Sales of Boston Pizza Restaurants as compared to the Franchise Sales for the same period in the previous year (where restaurants were open for a minimum of 24 months). The Fund believes that the current method of calculating SRS provides Unitholders more meaningful information regarding the performance of Boston Pizza Restaurants since Royalty and Distribution Income are payable to the Fund by BPI and BP Canada LP on Franchise Sales and not gross revenues of Boston

"**Second Supplemental BPI Credit Agreement**" means the Second Supplemental Credit Agreement dated June 28, 2022 between BPI and the Bank.

"**Second Supplemental Credit Agreement**" means the Second Supplemental Credit Agreement dated June 28, 2022 among the Bank, Royalties LP, Holdings LP, Royalties GP, Holdings GP, the Fund and the Trust.

"**Series 1 Trust Notes**" means the non-interest bearing Series 1 unsecured subordinated demand notes of the Trust.

"**Series 2 Trust Notes**" means the interest bearing Series 2 unsecured subordinated notes of the Trust.

"**Series 3 Trust Notes**" means the interest bearing Series 3 unsecured subordinated notes of the Trust.

"**SIFT Tax**" means the specified investment flow-through tax enacted by the Federal Government of Canada in 2007, which is an entity level tax that Canadian publicly listed income trusts are required to pay.

"**Special Voting Unit**" means a special voting unit of the Fund to be issued to the holders of securities exchangeable into Units, and which will entitle the holder to vote at any meeting of Voting Unitholders.

"**Subsidiaries GSAs**" means, collectively, the general security agreement or the amended and restated general security agreement, as applicable, each dated October 5, 2017 (or April 11, 2018 in the case of Stadium District Pizza Ltd. and Theatre District Pizza Ltd.) granted by each of BPI's Subsidiaries in favour of Royalties LP to secure BPI's Subsidiaries' obligations under the Subsidiaries Guarantees, as amended by the Pandemic Recovery Plan Amendment Agreement and GSA Amending Agreement.

"**Subsidiaries Guarantees**" means, collectively, the guarantee or the amended and restated guarantee, as applicable, each dated September 29, 2017 (or April 11, 2018 in the case of Stadium District Pizza Ltd. and Theatre District Pizza Ltd.) granted by each of BPI's Subsidiaries in favour of Royalties LP pursuant to which each of BPI's Subsidiaries guaranteed the Royalty Obligations.

"**subsidiary**" has the meaning set out in the *Securities Act* (British Columbia) and includes a partnership or other entity.

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

"**Term Loan**" has the meaning ascribed to it under "Description of the Business – BPI Credit Facilities".

"**Total Funded Net Debt**" means, with respect to a person, all obligations which are considered to constitute debt in accordance with IFRS (with some exceptions) net of cash on the balance sheet, generated from operations and held in accounts at the Bank.

"**Transferred Assets**" means all franchise agreements between BPI and owners of Franchised Boston Pizza Restaurants, the various food, beverage and supply contracts between BPI and suppliers to Boston Pizza Restaurants, and the right to be the exclusive franchisor of Boston Pizza Restaurants and to enter into new franchise agreements and supplier contracts.

"**Trust**" means Boston Pizza Holdings Trust, a limited purpose open-ended trust established under the laws of British Columbia.

"**Trust Notes**" means the Series 1 Trust Notes, Series 2 Trust Notes and Series 3 Trust Notes, collectively.

"**Trust Units**" means the units of the Trust.

Pizza Restaurants. All historical SRS figures contained in this Annual Information Form have been restated to conform to the current method of calculating SRS.

"**Trustees**" means, at the relevant time, the trustees of the Fund.

"**TSX**" means the Toronto Stock Exchange.

"**Unit**" means a trust unit of the Fund, each such unit representing an equal undivided beneficial interest therein.

"**Unit Redemption Date**" has the meaning ascribed to it under "Description of the Fund – Redemption Right".

"**Unitholders**" means, at the relevant time, the holders of the Units.

"**Voting Unitholders**" means the holders from time to time of Units and Special Voting Units.

"**Voting Unitholders' Special Resolution**" means a resolution passed by more than $66^{2}/_{3}$% of the votes cast, either in person or by proxy, at a meeting of Voting Unitholders at which two or more individuals are present in person either holding personally or representing as proxies not less in aggregate than 25% of the total Voting Units then outstanding and entitled to vote upon such resolution, duly convened for the purpose of approving such resolution as a special resolution.

"**Voting Units**" means collectively the Units and Special Voting Units.

"**Western Canada**" means that part of Canada containing the Provinces of Alberta, British Columbia, Manitoba and Saskatchewan and the territories of Nunavut, Northwest Territories and Yukon.

INTERPRETATION

The information in this Annual Information Form is dated as of February 13, 2024 unless otherwise indicated. All dollar amounts are stated in Canadian currency.

OVERVIEW

The Fund is a limited purpose open-ended trust established in July 2002, and the Units trade on the TSX under the symbol BPF.UN. The Fund has the following two principal sources of revenue:

Royalty Income

Royalties LP licenses the BP Rights to BPI in return for BPI paying Royalties LP the Royalty, which is equal to 4.0% of Franchise Sales of those Boston Pizza Restaurants included in the Royalty Pool. See "License and Royalty".

Distribution Income

As part of the 2015 Transaction, Holdings LP acquired Class 1 LP Units and Class 2 LP Units of BP Canada LP, and BPI acquired, among other general partner units, Class 2 GP Units of BP Canada LP, which are exchangeable into Units. The Class 1 LP Units and Class 2 LP Units entitle Holdings LP to receive Distribution Income from BP Canada LP equal in aggregate to 1.5% of Franchise Sales, less the *pro rata* portion payable to BPI in respect of its retained interest in the Fund. Specifically, the Class 1 LP Units entitle Holdings LP to receive a priority distribution equal to the amount of interest that Holdings LP pays on amounts drawn on Facility D (defined below) plus 0.05% of that amount, with the balance of 1.5% of Franchise Sales being distributed *pro rata* to Holdings LP and BPI on the Class 2 LP Units and Class 2 GP Units, respectively. See "Description of BP Canada LP".

CORPORATE STRUCTURE

Boston Pizza Royalties Income Fund

The Fund is a limited purpose open-ended trust established under the laws of the Province of British Columbia by the Declaration of Trust. The Fund's head office is located at 201 – 13571 Commerce Parkway, Richmond, British Columbia, Canada, V6V 2R2 and its registered office is located at Suite 1200 Waterfront Centre, 200 Burrard Street, Vancouver, British Columbia, Canada, V7X 1T2. The Fund was established to, and on July 17, 2002 did, acquire the BP Rights indirectly through Royalties LP.

The Fund is administered by Royalties LP pursuant to the Administration Agreement. See "Management – Administration Agreement".

The Fund owns 100% of the issued and outstanding Trust Units, 100% of the Series 1 Trust Notes and indirectly through the Trust and by indirect ownership of Holdings LP through the Trust and Holdings GP, 100% of: (i) the Class 1 LP Units and Class 2 LP Units of BP Canada LP; and (ii) the LP Units, Class A Units, Class C LP Units and Class D Units of Royalties LP. The Fund owns 100% of the issued and outstanding common shares of Holdings GP. The Fund also owns 80% of the issued and outstanding common shares of Royalties GP.

Boston Pizza Holdings Trust

The Trust is a limited purpose open-ended trust established under the laws of the Province of British Columbia pursuant to a declaration of trust between the Fund and William C. Brown (one of the original trustees of the Fund) made July 8, 2002, as amended and restated on September 22, 2008. The Trust is the sole limited partner of Holdings LP, owning 100% of the Holdings LP Units and 100% of the non-interest bearing promissory notes issued from time to time by Holdings LP, and, with Holdings GP and indirectly through Holdings LP, owns 100% of: (i) the Class 1 LP Units and Class 2 LP Units of BP Canada LP; and (ii) the LP Units, the Class A Units, Class C LP Units and the Class D Units of Royalties LP. The declaration of trust for the Trust contemplates that the Trust will make monthly distributions of distributable cash to the holders of Trust Units. The trustees of the Trust may pay or cause to be paid out of the Trust's assets, reasonable fees, costs and expenses incurred in connection with the administration and management of the Trust.

Boston Pizza Holdings GP Inc.

Holdings GP is a company incorporated under the laws of the Province of British Columbia. Holdings GP owns 100% of the general partner units of Holdings LP and is the sole general partner of Holdings LP.

Boston Pizza Holdings Limited Partnership

Holdings LP is a limited partnership formed under the laws of the Province of British Columbia pursuant to the Holdings Limited Partnership Agreement. The Trust is the sole limited partner of Holdings LP. Holdings GP is the sole general partner of Holdings LP. Holdings LP owns 100% of: (i) the Class 1 LP Units and Class 2 LP Units of BP Canada LP; and (ii) the LP Units, Class A Units, Class C LP Units and Class D Units of Royalties LP. The Holdings Limited Partnership Agreement requires Holdings LP to pay monthly distributions to its partners of available cash first to the holders of the general partner units of Holdings LP in an amount equal to 0.01% of available cash up to a maximum of $100, and second all remaining available cash to the holders of Holdings LP Units.

Boston Pizza GP Inc.

Royalties GP is a corporation incorporated under the CBCA. Royalties GP owns 99% of the Royalties GP Units and is the managing general partner of Royalties LP. Pursuant to the Governance Agreement, the Fund is entitled to elect three of the five directors of Royalties GP and BPI is entitled to elect two of the five directors of Royalties GP. See "Management – Governance Agreement".

Boston Pizza Royalties Limited Partnership

Royalties LP is a limited partnership formed under the laws of the Province of British Columbia pursuant to the Royalties Limited Partnership Agreement. Holdings LP is the sole limited partner of Royalties LP. Royalties GP is the managing general partner and BPI is the general partner of Royalties LP.

Royalties LP is the owner of the BP Rights. Royalties LP licenses the BP Rights to BPI, who in turn sublicenses the BP Rights to BP Canada LP, for use in the business of franchising Boston Pizza Restaurants. The License is granted pursuant to the License and Royalty Agreement and BPI pays the Royalty to Royalties LP equal to 4.0% of Franchise Sales. See "License and Royalty".

Boston Pizza International Inc.

BPI is a corporation amalgamated under the CBCA. Prior to the 2015 Transaction, BPI carried on business as the franchisor of the Boston Pizza concept in Canada only, and, through various affiliated entities, in select markets in the United States and Mexico. BPI licenses the BP Rights from Royalties LP under the License and Royalty Agreement, and in turn, sublicenses the BP Rights to BP Canada LP under the BP Licensed Marks Sublicense Agreement. In connection with the 2015 Transaction, BP Canada LP acquired the Transferred Assets from BPI and became the exclusive franchisor of Boston Pizza Restaurants. See "General Development of the Business – 2015 Transaction".

BPI owns: (i) 100% of the Class B Units (indirectly through BPCHP) and 1% of the GP Units of Royalties LP; and (ii) 100% of the Class 2 GP Units (indirectly through BPCHP), Class 3 GP Units, Class 4 GP Units, Class 5 GP Units and Class 6 GP Units of BP Canada LP. The Class B Units of Royalties LP and the Class 2 GP Units of BP Canada LP are exchangeable for Units of the Fund. As of February 13, 2024, BPI's Class B Units and Class 2 GP Units collectively represent an approximate indirect 13.3% interest in the Fund. BPI also holds 100% of the Special Voting Units of the Fund which entitle BPI to one vote for each Unit of the Fund that BPI would be entitled to receive if it exchanged all of its Class B Units of Royalties LP and Class 2 GP Units of BP Canada LP for Units of the Fund. As of February 13, 2024, BPI was entitled to 3,262,177 votes, representing approximately 13.3% of the aggregate votes held by Voting Unitholders. See "Description of the Fund – Units and Special Voting Units". The number of Units of the Fund that BPI is entitled to receive upon the exchange of its Class B Units of Royalties LP and Class 2 GP Units of BP Canada LP, and the number of votes that BPI is entitled to in respect of its Special Voting Units is adjusted annually to reflect any New Restaurants that are added to the Royalty Pool. See "Annual Adjustment to Royalty Pool".

The Fund does not have any direct or indirect ownership interest in BPI.

Boston Pizza Canada Limited Partnership

BP Canada LP is a limited partnership formed under the laws of the Province of British Columbia that is operated and controlled by BPI pursuant to the BP Canada Limited Partnership Agreement. Holdings LP is the sole limited partner of BP Canada LP and BPI and BPCHP are the general partners of BP Canada LP. As part of the 2015 Transaction, BP Canada LP acquired the Transferred Assets from BPI and became the exclusive franchisor of Boston Pizza Restaurants. BP Canada LP sublicenses the BP Rights from BPI under the BP Licensed Marks Sublicense Agreement for use in the business of franchising Boston Pizza Restaurants. See "Description of BP Canada LP".

Boston Pizza Canada Holdings Inc.

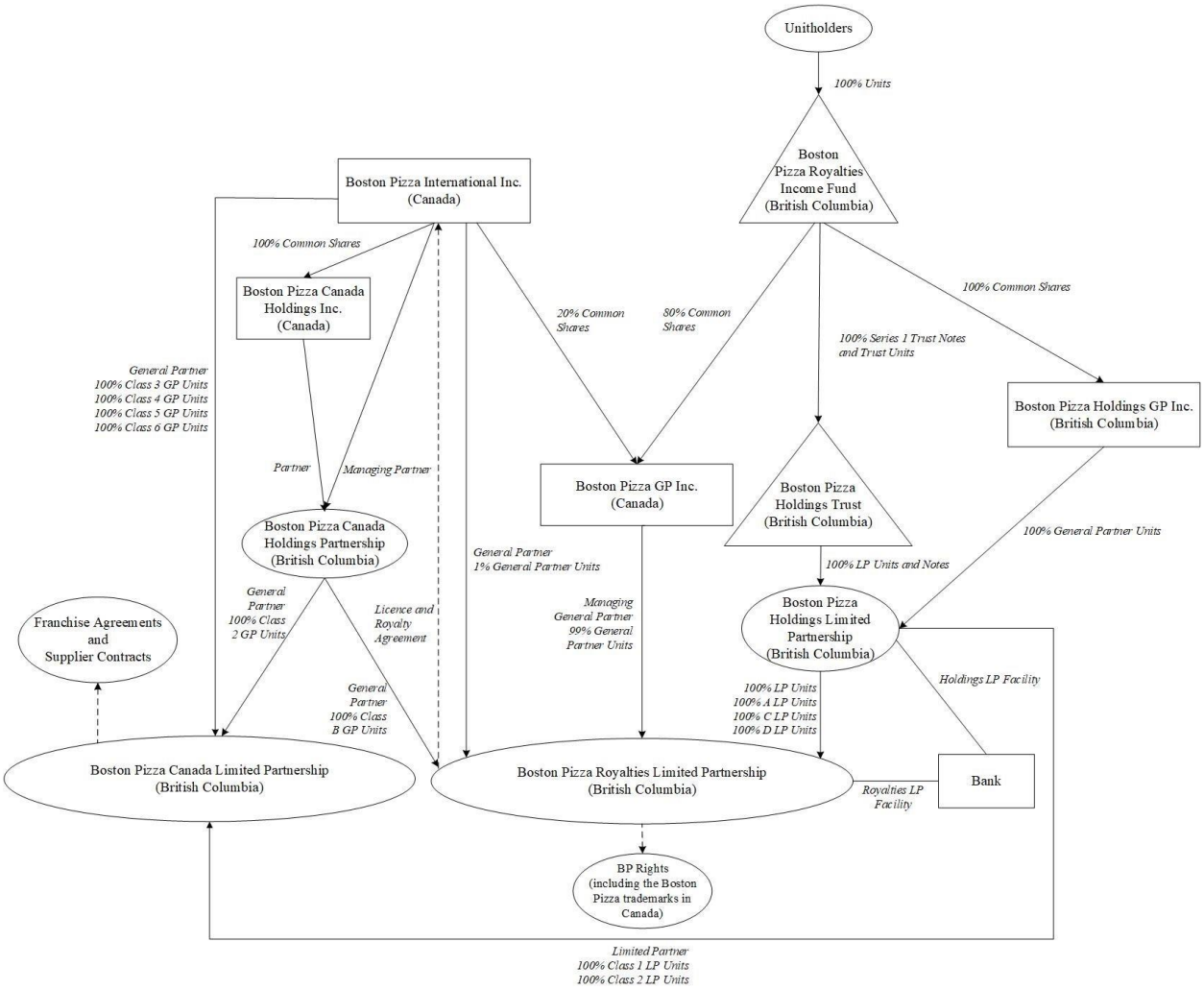
Boston Pizza Canada Holdings Inc. is a company incorporated under the CBCA. It is a wholly-owned subsidiary of BPI and a general partner of BPCHP.

Boston Pizza Canada Holdings Partnership

BPCHP is a general partnership formed under the laws of the Province of British Columbia. BPI and Boston Pizza Canada Holdings Inc. are the two general partners of BPCHP. BPCHP owns all of the Class B Units of Royalties LP and the Class 2 GP Units of BP Canada LP.

Intercorporate Relationships

The following chart illustrates the primary structural and contractual relations between the Unitholders, the Fund, the Trust, Holdings LP, Holdings GP, Royalties GP, Royalties LP, BPI, BP Canada LP, BPCHP and Boston Pizza Canada Holdings Inc.



GENERAL DEVELOPMENT OF THE BUSINESS

Adjustments to the Royalty Pool

As noted above, the two principal sources of revenue of the Fund are: (i) Royalties LP receiving the Royalty from BPI equal to 4.0% of Franchise Sales of those Boston Pizza Restaurants included in the Royalty Pool; and (ii) Holdings LP receiving Distribution Income from BP Canada LP equal to 1.5% of Franchise Sales of those Boston Pizza Restaurants included in the Royalty Pool, less the *pro rata* portion payable to BPI in respect of its retained interest in the Fund. The Royalty and Distribution Income received by Royalties LP and Holdings LP, respectively, are based upon Franchise Sales from a fixed Royalty Pool.

On the Adjustment Date of each year, an adjustment is made to add to the Royalty Pool New Restaurants that opened, and to remove from the Royalty Pool any Closed Restaurants, since the last Adjustment Date. In return for adding new Royalty and Distribution Income from the New Restaurants after subtracting the Royalty and Distribution Income that is lost from the Closed Restaurants[7] (such difference, "**Net Royalty and Distribution Income**"), BPI receives Class B Additional Entitlements and Class 2 Additional Entitlements, respectively (and in the future if BPI has exercised exchange rights prior to any Adjustment Date in respect of Class 3 GP Units, Class 4 GP Units or Class 5 GP Units, then from and after that Adjustment Date, BPI will also receive Class 3 Additional Entitlements, Class 4 Additional Entitlements and Class 5 Additional Entitlements, respectively). The calculation of Additional Entitlements is designed to be accretive to Unitholders as the expected increase in Royalty and Distribution Income from the New Restaurants added to the Royalty Pool less the decrease in Franchise Sales from the Closed Restaurants is valued at a 7.5% discount. The Additional Entitlements are calculated at 92.5% of the estimated Royalty and Distribution Income expected to be generated by the New Restaurants less the actual Royalty and Distribution Income lost from the Closed Restaurants, multiplied by one minus the effective tax rate estimated to be paid by the Fund, divided by the yield of the Fund, divided by the weighted average Unit price over a specified period. BPI receives 80% of the Additional Entitlements initially, with the balance received when the actual full year performance of the New Restaurants and the actual effective tax rate paid by the Fund are known with certainty (such balance of Units in respect of the increased Royalty, the "**Class B Holdback**", and in respect of the increased Distribution Income, currently the "**Class 2 Holdback**" (and collectively, the "**Holdback**")). BPI receives 100% of distributions from the Additional Entitlements throughout the year. Once the New Restaurants have been part of the Royalty Pool for a full year, an audit of the Franchise Sales of these Boston Pizza Restaurants is performed, and the actual effective tax rate paid by the Fund is determined. At such time an adjustment is made to reconcile distributions paid to BPI and the Additional Entitlements received by BPI.

It is possible that on an Adjustment Date the Net Royalty and Distribution Income is negative as a result of the estimated Royalty and Distribution Income expected to be generated by the New Restaurants being less than the actual Royalty and Distribution Income that is lost from the Closed Restaurants (the amount by which it is less is the "**Deficiency**"). In such case, BPI would not receive any Additional Entitlements, however, nor would BPI lose any of the Additional Entitlements previously received by BPI. Rather, on future Adjustment Dates, BPI would be required to make-up the Deficiency by first adding Net Royalty and Distribution Income in an amount equal to the Deficiency before receiving any further Additional Entitlements (i.e. BPI only receives Additional Entitlements in respect of the cumulative amount by which Royalty and Distribution Income from New Restaurants exceeds actual Royalty and Distribution Income lost from Closed Restaurants).

Over the last three financial years, the Royalty Pool has been adjusted from 383 restaurants on January 1, 2022, to 377 restaurants on January 1, 2023 and 372 restaurants on January 1, 2024.

The adjustments to the Royalty Pool and the Additional Entitlements received by BPI since 2021 are as follows:

- On January 1, 2021, the Royalty Pool was adjusted to add two New Restaurants that opened and remove 11 Closed Restaurants that closed between January 1, 2020 and December 31, 2020. In addition, one seasonal Boston Pizza Restaurant that was believed to have permanently closed in 2019, and accordingly was removed from the Royalty Pool on January 1, 2020, re-opened during 2020. This resulted in the number of Boston Pizza Restaurants in the Royalty Pool decreasing from 395 to 387. The resulting estimated annual net Franchise Sales for the two New Restaurants and the 11 Closed Restaurants that opened and closed in 2020 was negative $15.2 million. Consequently, this resulted in the Net Royalty and Distribution Income having a Deficiency for 2020 of $0.8 million (being 5.5% of negative $15.2 million Franchise Sales) as a result of the estimated Royalty and Distribution Income expected to be generated by the New Restaurants ($0.2 million) being less than the actual Royalty and Distribution Income that is lost from the Closed Restaurants

7 The Royalty and Distribution Income that is lost from the Closed Restaurants is calculated based upon the actual Franchise Sales received from the Closed Restaurants during the first 12-month period immediately following their addition to the Royalty Pool.

($1.0 million). Since there was a Deficiency for 2020 of $0.8 million, BPI did not receive any Additional Entitlements on January 1, 2021. However, BPI did not lose any of the Additional Entitlements it received in respect of previous years. An adjustment to the Deficiency was made based on the full year performance of the two New Restaurants. The original Franchise Sales expected to be generated from these two New Restaurants less the Franchise Sales from the 11 Boston Pizza Restaurants that closed in 2021 was negative $15.2 million. The actual Franchise Sales generated from these two New Restaurants after subtracting the Franchise Sales from the 11 Boston Pizza Restaurants that closed in 2021 was $0.2 million less. As a result, the Deficiency in respect of 2020 was adjusted to be $0.8 million.

- On January 1, 2022, the Royalty Pool was adjusted to remove four Closed Restaurants that closed between January 1, 2021 and December 31, 2021 resulting in the number of Boston Pizza Restaurants in the Royalty Pool decreasing from 387 to 383. The actual Franchise Sales received from the four Closed Restaurants during the first 12-month period immediately following their addition to the Royalty Pool was $6.2 million. Since no New Restaurants opened during 2021, the resulting estimated annual net Franchise Sales for the four Closed Restaurants that closed in 2021 was negative $6.2 million. Consequently, this resulted in the Net Royalty and Distribution Income having a Deficiency for 2021 of $0.3 million (being 5.5% of negative $6.2 million Franchise Sales). Since there was a Deficiency for 2021 of $0.3 million, BPI did not receive any Additional Entitlements on January 1, 2022. However, BPI did not lose any of the Additional Entitlements it received in respect of previous years.

- On January 1, 2023, the Royalty Pool was adjusted to remove six Closed Restaurants that closed between January 1, 2022 and December 31, 2022 resulting in the number of Boston Pizza Restaurants in the Royalty Pool decreasing from 383 to 377. The actual Franchise Sales received from the six Closed Restaurants during the first 12-month period immediately following their addition to the Royalty Pool was $6.8 million. Since no New Restaurants opened during 2022, the resulting annual net Franchise Sales for the six Closed Restaurants that closed in 2022 was negative $6.8 million. Consequently, this resulted in the Net Royalty and Distribution Income having a Deficiency for 2022 of $0.4 million (being 5.5% of negative $6.8 million Franchise Sales). Since there was a Deficiency for 2022 of $0.4 million, BPI did not receive any Additional Entitlements on January 1, 2023. However, BPI did not lose any of the Additional Entitlements it received in respect of previous years.

- Since no New Restaurants were opened during 2021 nor were added to the Royalty Pool on January 1, 2022, there was no need to conduct an audit to compare the actual Franchise Sales from New Restaurants that were opened in 2021 to the estimated amount of Franchise Sales expected to be generated by these New Restaurants during 2022 nor to compare the actual effective tax rate paid by the Fund for 2022 to the estimated effective tax rate the Fund expected to pay for 2022.

- On January 1, 2024, the Royalty Pool was adjusted to add one New Restaurant that opened and remove six Closed Restaurants that closed between January 1, 2023 and December 31, 2023, resulting in the number of Boston Pizza Restaurants in the Royalty Pool decreasing from 377 to 372. The estimated annual Franchise Sales in 2024 for the one New Restaurant that opened in 2023 is $1.8 million. The actual Franchise Sales received from the six Closed Restaurants in 2023 during the first 12-month period immediately following their addition to the Royalty Pool was $9.2 million. The resulting estimated annual net Franchise Sales for 2023 was negative $7.5 million. Consequently, this resulted in the Net Royalty and Distribution Income having a Deficiency for 2023 of $0.4 million (being 5.5% of negative $7.5 million Franchise Sales). Since there was a Deficiency for 2023 of $0.4 million, BPI did not receive any Additional Entitlements on January 1, 2024. However, BPI did not lose any of the Additional Entitlements it received in respect of previous years. Instead, BPI will be required to make-up the cumulative Deficiency for 2020, 2021, 2022 and 2023 on future Adjustment Dates by first adding Net Royalty and Distribution Income in an amount equal to the cumulative Deficiency before receiving any further Additional Entitlements. The following is a summary of the cumulative Deficiency that exists:

Adjustment Date	Actual / Estimate Franchise Sales of New Restaurants for Adjustment Date (in millions)*	Actual Franchise Sales of Closed Restaurants for Adjustment Date (in millions)*	Net Franchise Sales for Adjustment Date (in millions)*	Deficiency, being 5.5% of Net Franchise Sales (in millions)*
January 1, 2021	$3.1†	$18.5	($15.4)	($0.8)
January 1, 2022	--	$6.2	($6.2)	($0.3)
January 1, 2023	--	$6.8	($6.8)	($0.4)
January 1, 2024	$1.8††	$9.2	($7.5)	($0.4)
Cumulative	**$4.9**	**$40.7**	**($35.9)**	**($2.0)**

* Figures are rounded to one decimal place. † Determined in February 2022 after an audit of Franchise Sales for 2021 was performed on the New Restaurants. †† To be determined and adjusted in February 2025 after an audit of Franchise Sales for 2024 is performed on the one New Restaurant for 2023, with the corresponding net Franchise Sales and Deficiency in respect of the Adjustment Date of 2024 being amended accordingly.

- Since no New Restaurants were opened during 2022 nor were added to the Royalty Pool on January 1, 2023, there was no need to conduct an audit to compare the actual Franchise Sales from New Restaurants that were opened in 2022 to the estimated amount of Franchise Sales expected to be generated by these New Restaurants during 2023 nor to compare the actual effective tax rate paid by the Fund for 2023 to the estimated effective tax rate the Fund expected to pay for 2023.

2015 Transaction

On May 6, 2015, the Fund and BPI completed an investment in BP Canada LP (the "**2015 Transaction**"), the effect of which was to effectively increase the Fund's interest in Franchise Sales of Boston Pizza Restaurants in the Royalty Pool (the "**Franchise Sales Participation**") by 1.5%, from 4.0% to 5.5%, less the *pro rata* portion payable to BPI in respect of its retained interest in the Fund. BPI also has the right to further increase the Fund's Franchise Sales Participation by up to an additional 1.5% of Franchise Sales (in 0.5% increments) upon meeting certain financial thresholds designed to ensure that the additional Franchise Sales Participation is accretive to the Fund and that BPI retains the financial capacity to satisfy its obligations to the Fund. See "The Exchange Rights – Class 2 GP Units, Class 3 GP Units, Class 4 GP Units and Class 5 GP Units".

The Fund filed a Business Acquisition Report in respect of the 2015 Transaction on July 20, 2015, a copy of which is available on SEDAR+ at www.sedarplus.ca. For a detailed description of the 2015 Transaction, please refer to the Fund's Information Circular dated March 27, 2015 and the Final Short Form Prospectus dated April 7, 2015, copies of which are available on SEDAR+ at www.sedarplus.ca.

Effects of COVID-19 on Boston Pizza

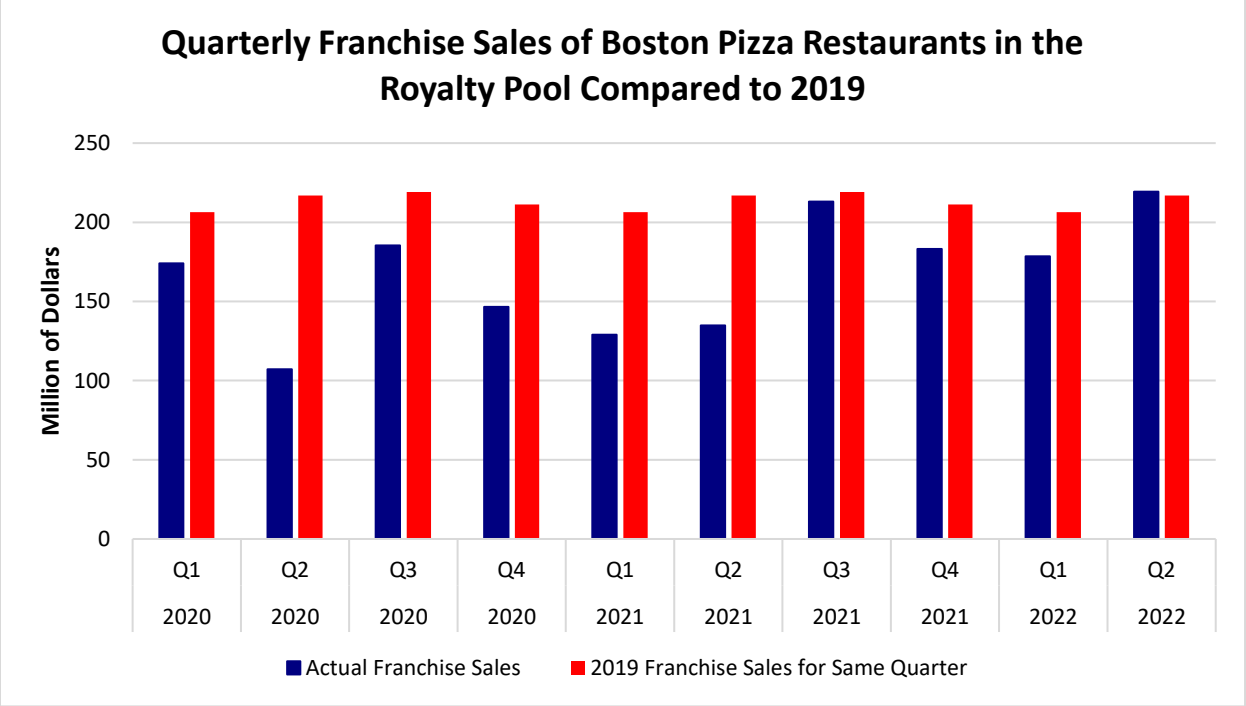
COVID-19 dramatically affected the business of Boston Pizza Restaurants during 2020, 2021 and 2022. Governments implemented policies intended to slow the spread of the disease, including imposing restrictions or prohibitions on restaurants' ability to provide restaurant services. These policies, among other things, limited operating hours, reduced permitted hours to serve alcohol, closed indoor dining rooms and closed patio dining depending upon the particular regions and times. Such policies resulted in significant declines in Franchise Sales of Boston Pizza Restaurants in the Royalty Pool that generally varied inversely with severity of COVID-19 across Canada.

The significant declines to Franchise Sales, and the resulting Royalty, Distribution Income and Distributable Cash, caused by COVID-19 in the second quarter of 2020 resulted in BPI, Royalties GP, BPCHP, Holdings LP, Royalties LP, Boston Pizza Canada Holdings Inc., James Treliving Holdings Inc. and BPI's Subsidiaries entering into the Pandemic Recovery Plan Amendment Agreement to holistically address their financial challenges caused by COVID-19 (the "**Pandemic Recovery Plan**"), which, among other things, included the following: (a) BPI's sole shareholder investing $10 million of additional capital into BPI; (b) BPI establishing the BCAP Loan and BDC Facilities; (c) the Fund and the Bank entering into the First

Supplemental Credit Agreement to restructure the Prior Credit Facilities to address the challenges faced by the Fund; (d) BPI and the Bank entering into the First Supplemental BPI Credit Agreement to restructure the Prior BPI Credit Facilities to address the challenges faced by BPI; and (e) BPI, BPI's Subsidiaries and the Fund amending certain covenants in the BPI GSA and Subsidiaries GSAs. Additional details of the Pandemic Recovery Plan are contained in the Pandemic Recovery Plan Amendment Agreement and First Supplemental Credit Agreement, copies of which are available on SEDAR+ at www.sedarplus.ca.

The Pandemic Recovery Plan enabled the Fund and BPI to stably manage the volatile impacts of COVID-19 on the business of Boston Pizza Restaurants during the remainder of 2020, all of 2021 and the beginning of 2022. By the second quarter of 2022, COVID-19 case counts improved, government restrictions related to COVID-19 were largely eliminated, and sales levels of Boston Pizza Restaurants had returned to levels more consistent with times prior to COVID-19.

The following table shows the effect that COVID-19 had on quarterly Franchise Sales of Boston Pizza Restaurants in the Royalty Pool from the first quarter of 2020 through to the second quarter of 2022:



The effects of COVID-19 and the subsequent recovery of sales levels after governmental restrictions related to COVID-19 were eliminated resulted in changes to distributions on Units declared by the Trustees. On March 23, 2020, the Trustees temporarily suspended monthly distributions on Units, which continued until the Trustees recommenced monthly distributions of $0.065 per Unit on October 1, 2020. From the fall of 2020 through 2022, the Trustees gradually increased the monthly distribution rate on the Units until setting it at $0.107 per Unit in April 2023, which surpassed the monthly distribution rate of $0.102 per Unit in effect immediately prior to COVID-19. See Description of the Fund – Cash Distributions" for additional details regarding distributions on Units.

Repayment of F&J Credit Facility and BCAP Loan

F&J Credit Facility

In 2016 and 2017, F&J established a $4.2 million credit facility with the Bank for the purposes of funding a portion of the acquisition cost for a Boston Pizza Restaurant that F&J purchased from a former franchisee of BP Canada LP in June 2016 and making renovations to that Boston Pizza Restaurant. On June 22, 2020 as part of the Pandemic Recovery Plan, that credit facility was amended, among other things, to

reduce the available credit to approximately $3.3 million and change the expiry date to March 31, 2022 (such facility as amended, the "**F&J Credit Facility**"). BPI had guaranteed the F&J Credit Facility to the Bank. On February 14, 2022, F&J repaid in full the outstanding balance of $2.5 million owing on the F&J Credit Facility and the F&J Credit Facility was extinguished.

BCAP Loan

In June 2020, BPI established a $6.25 million credit facility with the Bank under the EDC's business credit availability program (the "**BCAP Loan**") as part of the Pandemic Recovery Plan. The BCAP Loan was guaranteed by each of BPI's Subsidiaries except BP Canada LP, and was secured by the same security that secures the BPI Credit Facilities to the Bank. That security shared priority with the general security agreements granted by BPI and BPI's Subsidiaries to the Bank under the BPI Credit Facilities. The Fund and the Bank consented to the BCAP Loan and the BCAP Loan was drawn down in June 2020. BPI repaid the BCAP Loan in full on June 22, 2022 and the BCAP Loan was extinguished.

June 2022 Amendment to the Fund's and BPI's Credit Facilities

Amendment to Fund's Credit Facilities

On June 28, 2022, Holdings LP, Royalties LP and others entered into the Second Supplemental Credit Agreement to amend and extend the Prior Credit Facilities, as previously amended by the First Supplemental Credit Agreement (the Prior Credit Facilities, as amended by the First Supplemental Credit Agreement and Second Supplemental Credit Agreement, the "**Credit Facilities**"). The material modifications to the Prior Credit Facilities, as previously amended by the First Supplemental Credit Agreement, were as follows:

1. The maturity date was extended from December 31, 2022 to July 1, 2026;

2. The total amount of credit available was decreased by approximately $8.4 million, from the original $97.0 million to $88.6 million by decreasing the size of Facility B from the original $61.7 million to approximately $53.3 million to reflect approximately $6.0 million of repayments of principal previously made by the Fund and a reduction of available credit of approximately $2.4 million;

3. The interest rates (or margins, as applicable) applicable to the Prior Credit Facilities, as previously amended by the First Supplemental Credit Agreement, decreased substantially depending upon the Fund's total funded net debt to EBITDA ratio and the availment option selected. In the case of Canadian prime rate loans, the interest rate is now equal to the Bank's prime rate plus between 0.00% and 0.65% (depending on the Total Funded Net Debt to EBITDA ratio) and, in the case of bankers' acceptances and Canadian dollar offered rate loans, the interest rate is equal to a variable interest rate based on the Bank's bankers' acceptance rates or Canadian dollar offered rates plus between 1.25% and 1.85% (depending on the Total Funded Net Debt to EBITDA ratio);

4. The requirement of the Fund to make subsequent quarterly repayments of principal on Facility B was eliminated;

5. The financial covenant that the Fund's Total Funded Net Debt to EBITDA must not exceed 3.00:1 from and after September 30, 2021 was modified to require it to not exceed 2.50:1 on closing until December 30, 2024 and to not exceed 2.25:1 thereafter;

6. Certain other covenants and provisions were modified; and

7. The guarantees and security supporting the Credit Facilities remain unchanged from those existing immediately prior to the Second Supplemental Credit Agreement.

A copy of the Second Supplemental Credit Agreement is available on SEDAR+ at www.sedarplus.ca. See "Credit Facilities" for more details on the Credit Facilities.

Amendment to BPI's Credit Facilities

On June 28, 2022, BPI entered into the Second Supplemental BPI Credit Agreement to amend and extend the Prior BPI Credit Facilities, as previously amended by the First Supplemental BPI Credit Agreement (the Prior BPI Credit Facilities, as amended by the First Supplemental BPI Credit Agreement and Second Supplemental BPI Credit Agreement, the "**BPI Credit Facilities**"). The material modifications to the Prior BPI Credit Facilities, as previously amended by the First Supplemental BPI Credit Agreement, were as follows:

1. The maturity date was extended from December 31, 2022 to July 1, 2026;

2. The total amount of credit available was decreased by $9.3 million, from the original $43.3 million to $34.0 million by decreasing the size of the Term Loan from the original $33.3 million to $24.0 million to reflect repayments of principal previously made by BPI;

3. The interest rates (or margins, as applicable) applicable to the Prior BPI Credit Facilities, as previously amended by the First Supplemental BPI Credit Agreement, decreased substantially depending on BPI's Total Funded Net Debt to EBITDA ratio and the availment option selected. In the case of Canadian prime rate loans, the interest rate is now equal to the Bank's prime rate plus between 0.00% and 0.90% (depending on BPI's Total Funded Net Debt to EBITDA ratio) and, in the case of bankers' acceptances and Canadian dollar offered rate loans, the interest rate is equal to a variable interest rate based on the Bank's bankers' acceptance rates or Canadian dollar offered rates plus between 1.25% and 2.10% (depending on BPI's Total Funded Net Debt to EBITDA ratio);

4. The amount of principal on the Term Loan that BPI is required to repay each quarter was reduced from $0.7 million to $0.4 million;

5. Certain financial covenants that were waived by the Bank from June 2020 until December 31, 2022 were reinstated and, in the case of (b) and (c) below, modified, including: (a) the covenant that the market value the Class B Units and Class 2 GP Units[8] exceeds the amount of indebtedness owed by BPI to the Bank; (b) the covenant that BPI's Net Total Funded Debt to EBITDA be less than specified ratios; and (c) the covenant that BPI maintain a minimum ratio of cash flow available for debt service to total debt service;

6. Certain covenants agreed to in June 2020 were eliminated, including: (i) the covenant that required BPI's trailing 12-month EBITDA to not be less than certain specified values; and (ii) the covenant that required BPI to dispose of certain assets and use the net proceeds therefrom to reduce BPI's indebtedness to the Bank;

7. Certain other covenants and provisions were modified; and

8. The guarantees and security supporting the BPI Credit Facilities remain unchanged from those existing immediately prior to the Second Supplemental Credit Agreement.

See the remaining portions of "General Development of the Business" and "Description of the Business – BPI Credit Facilities" for more details on the BPI Credit Facilities.

Amendment to BPI GSA and Subsidiaries GSAs

In conjunction with the Fund and BPI entering into the Second Supplemental Credit Agreement and Second Supplemental BPI Credit Agreement, respectively, with the Bank, BPI, BPI's Subsidiaries, Royalties LP, Royalties GP, Holdings LP and Holdings GP entered into an Amending Agreement dated June 28, 2022

8 BPI indirectly through BPCHP holds Class B Units and Class 2 GP Units that are currently exchangeable for approximately 3.3 million Units.

(the "**GSA Amending Agreement**") to amend the BPI GSA and Subsidiaries GSAs. The material modifications to the BPI GSA and Subsidiaries GSAs were as follows:

1. Removing the requirement that BPI dispose of certain assets and use the net proceeds therefrom to reduce BPI's indebtedness owing to the Bank;

2. Removing the requirement that BPI's trailing 12-month EBITDA must not be less than certain specified values;

3. Removing the requirement that BPI and BP Canada LP pay the Fund each fiscal quarter a minimum amount of Royalty and Distribution Income, commencing the fiscal year for 2023;

4. Requiring that BPI's Permitted Debt Ratio not exceed 3.00:1; and

5. Incorporating the financial covenants and other monitoring and testing covenants granted by BPI and BPI's Subsidiaries to the Bank in connection with BPI's Credit Facilities and deeming them to be covenants of BPI and BPI's Subsidiaries to Royalties LP.

A copy of the GSA Amending Agreement is available on SEDAR+ at www.sedarplus.ca. See "License and Royalty – Guarantee and Security for the Royalty" for more details on the security BPI and BPI's Subsidiaries have granted in favour of Royalties LP.

$10 Million Repayment of Term Loan by BPI

BPI made a voluntary repayment of $5.0 million on the Term Loan on each of December 28, 2022 and August 25, 2023, in addition to the required quarterly payment of $0.4 million. As of December 31, 2023, there was $11.6 million outstanding on the Term Loan.

Repayment of BDC Facilities

In June 2020, BPI established a $2.0 million subordinated credit facility with BDC under the federal government's COVID-19 relief programs (the "**BDC Facilities**"). The BDC Facilities were guaranteed by each of BPI's Subsidiaries except BP Canada LP, each of whom granted general security agreements in favour of BDC that were subordinated to security held by Royalties LP and the Bank. The Fund and the Bank consented to the BDC Facilities and the BDC Facilities were drawn down in June 2020. The BDC Facilities required monthly payments of blended principal and interest. BPI repaid the remaining outstanding balance of the BDC Facilities in full on April 3, 2023 and the BDC Facilities were extinguished.

2023 Normal Course Issuer Bid

On June 15, 2023, the Fund received TSX approval of the 2023 NCIB. The 2023 NCIB permits the Fund to repurchase for cancellation up to 400,000 Units, being approximately 1.86% of the Fund's issued and outstanding Units (as at June 6, 2023). Concurrently with the establishment of the 2023 NCIB, the Fund established an automatic securities purchase plan with its broker to allow for the repurchase of Units under the 2023 NCIB at any time, including when it ordinarily would not be active in the market due to its own internal trading blackout periods, insider trading rules or otherwise. The automatic securities purchase plan automatically terminated by its terms on August 22, 2023 as a result of the purchase limits specified in the automatic securities purchase plan having been attained. The Fund acquired 242,900 Units under the 2023 NCIB at an average price of $16.49 per Unit. All purchases under the 2023 NCIB were made on the open market through the facilities of the TSX in accordance with the requirements of the TSX or other Canadian marketplaces by registered investment dealers.

Voluntary Dissolution of Three Subsidiaries by BPI and Sale of Boston Pizza Restaurants

BPI closed two corporately owned Boston Pizza Restaurants in 2021 and previously sold one Boston Pizza Restaurant in 2018. These restaurants had been operated by Lansdowne Holdings Ltd., Theatre District

Pizza Ltd. and Winston Churchill Pizza Ltd., each of whom were one of BPI's Subsidiaries. Each of these entities previously guaranteed the obligations of BPI to BPI's lenders and guaranteed the obligations of BPI and BP Canada LP to Royalties LP, and previously granted security over all of their assets in support of those guarantees. In November 2021 and with the consent of BPI's lenders and Royalties LP, BPI voluntarily dissolved each of these entities into BPI. In conjunction with their voluntary dissolution, BPI assumed all liabilities of Lansdowne Holdings Ltd., Theatre District Pizza Ltd. and Winston Churchill Pizza Ltd.

In addition, in June 2023 and December 2023, BPI sold two Boston Pizza Restaurants that were operated by Stadium District Pizza Ltd. and F&J, respectively.

DESCRIPTION OF THE BUSINESS

Boston Pizza Royalties Income Fund

The Fund is a limited purpose open-ended trust and as such the business of the Fund is limited to, among other things, investing in Trust Units and Trust Notes, making distributions to Unitholders and matters incidental thereto. See "Description of the Fund – Activities of the Fund".

The Fund's distribution policy is to distribute the total amount of cash received by the Fund from the Trust on the Trust Units and the Trust Notes, less the sum of: (a) administrative expenses and other obligations of the Fund; (b) amounts which may be paid by the Fund in connection with any cash redemptions of Units; (c) any interest expense incurred by the Fund; and (d) reasonable reserves established by the Trustees in their sole discretion in order to maximize returns to Unitholders.

Boston Pizza Royalties Limited Partnership

The business of Royalties LP is to take actions consistent with the License and Royalty Agreement to exploit, to the fullest extent possible, the use of the BP Rights by BPI, the collection of the Royalty payable to Royalties LP under the License and Royalty Agreement, and the administration of the Fund, the Trust, Holdings LP and Holdings GP pursuant to the Administration Agreement. See "License and Royalty", "Description of Royalties LP" and "Management – Administration Agreement".

Boston Pizza International Inc. and Boston Pizza Canada Limited Partnership

BPI is a privately controlled company and prior to the 2015 Transaction carried on business as the franchisor of Boston Pizza Restaurants in Canada only, and, through various affiliated entities, in select markets in the United States and Mexico. As part of the 2015 Transaction, BP Canada LP, a British Columbia limited partnership controlled and operated by BPI, acquired the Transferred Assets from BPI and became the exclusive franchisor of Boston Pizza Restaurants in Canada. BPI is the general partner of BP Canada LP and is solely responsible for administering, managing, controlling and operating the business of BP Canada LP.

The business of BP Canada LP and BPI, and the manner in which BPI operates BP Canada LP's business is relevant to the Fund and its Unitholders since:

(a) BPI is the exclusive licensor of the BP Rights under the License and Royalty Agreement, and BPI has sublicensed the BP Rights to BP Canada LP under the BP Licensed Marks Sublicense Agreement; and

(b) Holdings LP is a limited partner of BP Canada LP and is entitled to receive Distribution Income from BP Canada LP on the Class 1 LP Units and Class 2 LP Units of BP Canada LP.

A key attribute of the Fund's structure is the fact that it is a "top-line" fund. The Royalty and Distribution Income of the Fund are based on top-line revenue of Boston Pizza Restaurants in the Royalty Pool and are

not determined by the profitability of any of BPI, BP Canada LP or the Boston Pizza Restaurants in the Royalty Pool. Given this structure, the success of the Fund depends primarily on the ability of BPI and BP Canada LP to maintain and increase Franchise Sales from the Boston Pizza Restaurants in the Royalty Pool.

Industry Overview

The Canadian foodservice industry is comprised of two main sectors: commercial foodservice operators, whose primary business is food and beverage service; and non-commercial foodservice operators, such as hotels, retail outlets, movie theatres and schools, whose primary business is something other than food and beverage service, but includes some component of commercial foodservice. Commercial foodservice operators generally fall within one of the following categories: restaurants, social and contract caterers and bars. According to Restaurants Canada, in 2022 the foodservice industry surpassed the $100 billion mark in foodservices sales for the first time. Restaurants Canada forecasted foodservice sales to grow to $110.2 billion in 2023, a 9.7% increase over 2022 due to a rebound in consumer spending compared to during COVID-19, population growth and higher menu prices.[9] As a result of the increased consumer activity, commercial foodservice sales in 2023 were projected to grow by 8.6% compared to 2022. Compared to pre-pandemic levels, sales were forecast to increase 15.8% versus 2019, however once adjusted for menu inflation, real sales are still 2% below pre-pandemic levels.[9] Menu inflation, after peaking at 8.2% in January 2023, slipped to 6.4% in April 2023. According to Restaurants Canada, full-service restaurants expected their menu prices to be 5.6% higher in 2023.[9]

There are four major restaurant segments within commercial foodservice: quick service, family / midscale dining, casual dining and fine dining, with the latter three falling within the definition of "full-service restaurants". The table below summarizes the characteristics of the various segments:

Restaurant Segment	Average Cheque Amount Per Person as of Jan - Mar 2023[9]	Characteristics	Examples
Quick Service	$6.13	• Counter service • Usually specializes in one type of food • Emphasis on takeout and delivery • Some drive-through service	• A&W • KFC • McDonald's • Tim Horton's
Family / Midscale Dining	$12.03	• Table or self-service • Usually specializes in one type of food • May be takeout service	• Denny's • St. Hubert • Swiss Chalet

9 Restaurants Canada's Foodservice Facts 2023 periodical.

Restaurant Segment	Average Cheque Amount Per Person as of Jan - Mar 2023[9]	Characteristics	Examples
Casual Dining	$16.74	• Full table service • Themed atmosphere • Generally limited takeout	• Boston Pizza • Earl's • Cactus Club • East Side Mario's • Kelsey's • Montana's • The Keg • Original Joe's
Fine Dining	$48.57	• Extensive table service • Formal table settings	• Morton's • Various independents

According to a Restaurants Canada survey, eight of 10 restaurant owners indicated that their profitability in Q1 2023 remained below Q1 2019. Restaurant owners who were predicting improved financial results in 2023 attributed this to increased menu prices, improved cost control and an anticipated increase in guest traffic.[9] Restaurants Canada reported that controlling operating costs is one of the highest priorities for foodservice operators, with 90% of all respondents indicating they are passing higher costs onto guests by raising menu prices.[9]

Trends in the Foodservice Industry

On and Off Premise Trends – Restaurants Canada reports that guest traffic in Q1 2023 increased 4% compared to the same period in 2019 as Canadians were increasingly more comfortable eating indoors at a full-service restaurant. Restaurants Canada further reports that off-premise dining increased 40% in Q1 2023 compared to Q1 2019. The impacts of economic slowdowns and higher menu prices were expected to result in a slight decrease in guest traffic for the second half of 2023. However, Restaurants Canada further reports that despite the higher average check size, a greater share of Canadians planned to dine out more often at a table-service restaurant in the second half of 2023 than at a quick-service restaurant. According to Restaurants Canada, as guests return to dine in at full-service restaurants, take-out or delivery orders have declined to only 2% to 3% higher than 2019 levels.[9]

Daypart Shift – Restaurants Canada reports that during the first quarter of 2023, lunch and supper traffic at full-service restaurants trailed pre-COVID levels; however, breakfast traffic at full-service restaurants increased compared to 2019 levels. The slow recovery was due to Canadians working remotely. Restaurants Canada reports that remote work is having a lasting impact, with 85% of current remote workers expecting to continue thereby affecting breakfast and lunch visits.[9]

Technology in Restaurants – According to Restaurants Canada, restaurant owners are incorporating new technology to reduce operating costs. Some restaurants are incorporating tabletop tablets, kiosks and automated beverage dispensers to help reduce waiting times for guests. Other restaurants are using automated fryers, ovens and grills to reduce back of house staffing requirements. Inventory management software and POS systems are also used to efficiently manage operations, and online reservations and mobile apps are used help to grow sales.[9]

Overview of the Business of BPI and BP Canada LP

From its first restaurant in Edmonton in 1964, Boston Pizza has grown to become Canada's number one casual dining brand. With over 370 restaurants stretching from Victoria to St. John's, Boston Pizza has more locations and serves more customers annually than any other casual dining concept in Canada.

BPI is a franchise-driven restaurant company and operates only one Boston Pizza Restaurant as a corporate restaurant. BPI's strategic focus on the development of successful franchise operations has underpinned the success of the Boston Pizza franchise system over the past 60 years.

BP Canada LP franchises the "Boston Pizza" and the "Boston Pizza Quick Express" concepts. Boston Pizza is a full-service restaurant and sports bar concept competing in the casual dining segment of the restaurant industry. Boston Pizza Quick Express locations serve a limited menu and are targeted to "captured traffic" locations such as arenas, food courts, governmental institutions and airports. As of February 13, 2024, there are no Boston Pizza Quick Express locations.

The Boston Pizza Concept

Three Distinct Dining Experiences – The Boston Pizza Restaurant provides for "three experiences under one roof", with a full-service, family friendly casual dining restaurant, a separate sports bar and takeout and delivery. The restaurant décor is lively, colourful and eclectic. The bar area is an adult-oriented design with big screen TVs. Most restaurants also have an outdoor patio to accommodate guests during the warmer months. A typical restaurant is 5,000 to 6,300 square feet and has seating for 160 to 270 guests in total.

Ability to Target Distinct Business Segments – The Boston Pizza concept offers the flexibility to target four distinct business segments, or "dayparts". Lunch and dinner are standards for the casual dining segment, but Boston Pizza has a competitive advantage in the late-night daypart due to the sports bars in its restaurants. Boston Pizza Restaurants also have a more developed takeout and delivery business by virtue of their pizza menu focus. While takeout and delivery sales have historically averaged between 15-20% of total sales across the chain, takeout and delivery sales comprised 24.0% of total sales across the chain in 2023 due to shifts in consumer behaviour.

Boston Pizza Target Market – The Boston Pizza brand has benefited from its unique "three experiences under one roof" restaurant design to simultaneously and successfully appeal to different target groups, participating in a multitude of varying occasions. Families and other casual dining customers are attracted to Boston Pizza's variety-based menu, welcoming environment, friendly service and moderate pricing in the dining room. This demographic is the primary target representing approximately 65% of the total business, split between families with young children and families with teenagers. The secondary target skews to adults, primarily male, between the legal drinking age and 40 who play and watch sports. They are attracted to the lively atmosphere, sociability, full menu and shared passion for sports in the sports bar. When short on time and looking for convenient and variety-based food service, Boston Pizza satisfies this need for both target markets with takeout and delivery.

BPI's Director and Senior Officers

BPI has a highly skilled director and senior management team that oversees the strategic direction and operations of BPI. BPI's sole director is owner and Chairman James Walter Treliving. The senior management team of BPI consists of seven senior officers led by President, Jordan Holm, and four other officers. The names and positions of the directors and officers of BPI are as follows:

Name	**Position**
James Walter Treliving	Director, Chairman & Owner
Jordan Holm	President
Michael Harbinson	Chief Financial Officer
Jonathan K.M. Jeske	Senior Vice President and General Counsel
Peter Blackwell	Senior Vice President, Marketing and Communications
Cara Piggot	Senior Vice President, Operations and Food Services

Name	Position
Felix Decata	Senior Vice President, National Development
Bernie Ip	Senior Vice President, Business Technology
Ian Thomas	Vice President, Finance
Tiffany Liu	Vice President, Finance
Andy Jorge	Vice President, Food Services
James Kawalecki	Vice President, Marketing

Below is a biographical summary of certain of BPI's Board of Directors and Senior Management:

JAMES WALTER (JIM) TRELIVING, CHAIRMAN & OWNER: Mr. James Walter (Jim) Treliving is a director, officer and owner (through his holding company) of BPI. Mr. Treliving in collaboration with his family office and the BPI executive team, set the corporate strategy for BPI and the Boston Pizza brand. After serving with the Royal Canadian Mounted Police, Mr. Treliving purchased his first Boston Pizza franchise in Penticton, British Columbia in 1968. Mr. George C. Melville and Mr. Treliving became business partners in 1973 and originally established a total of 18 Boston Pizza outlets. In 1983, Mr. Treliving and Mr. Melville acquired ownership of the franchise rights to the Boston Pizza concept and established BPI. Mr. Treliving has been a Chairman of BPI since 2004 and previously held other senior roles in BPI including President and Chief Executive Officer. In 2017, Mr. Melville resigned from BPI as part of the 2017 Reorganization and Mr. Treliving became the sole owner and Chairman of BPI. Over the years, Mr. Treliving and BPI have been awarded with several prestigious awards including Canada's 50 Best Managed Companies Platinum Club, Canada's 10 Most Admired Corporate Cultures, the Henry Singer Award from the Canadian Institute of Retailing and Services, the Canadian Franchise Association's Lifetime Achievement Award and the Fraser Institute's T. Patrick Boyle Founder's Award. In 2014, Mr. Treliving was inducted into the Business Laureates of British Columbia Hall of Fame and in 2019 was named to the Order of Canada. Mr. Treliving is a dedicated philanthropist. He has been a director of the Boston Pizza Foundation since its inception in 1990 and is proud to have supported and inspired Boston Pizza franchisees, corporate employees and restaurant staff to raise and donate over $33 million to Canadian charities over that time. Mr. Treliving has also served on a number of other volunteer boards including the Jays Care Foundation, the David Foster Foundation and acts as an advisor to the Center for Addiction and Mental Health (CAMH) Foundation. In addition, Mr. Treliving starred for 15 seasons as one of the Dragons on the CBC's reality TV show, Dragons' Den, where aspiring entrepreneurs hope to secure a financial investment from the Dragons to start and grow their own businesses.

JORDAN HOLM, PRESIDENT: As President, Mr. Jordan Holm oversees all aspects of BPI, including marketing, development, operations, strategic planning, finance, foodservices, procurement, information technology, legal, human resources and administration. He is also responsible for the special events and public relations departments of BPI, and oversees the activities of the Boston Pizza Foundation. Mr. Holm joined BPI in May 2006 as Director of Investor Relations. In January 2010, he was appointed Vice President of Investor Relations, in October 2014 he was appointed Senior Vice President, Investor Relations & Corporate Communications, in October 2016 he was appointed Executive Vice President, Marketing and Communications and in October 2017, he was appointed as President of BPI. Prior to joining BPI, Mr. Holm was the Director of Investor Relations with Manulife Financial from 2004 to 2006. Mr. Holm holds a Bachelor of Arts from Simon Fraser University and a Master of Business Administration from McGill University.

MICHAEL HARBINSON, CHIEF FINANCIAL OFFICER: As Chief Financial Officer, Mr. Michael Harbinson oversees the financial planning, financial accounting, internal audit, payroll, treasury, BPI's human resources and administration department, and investor relations functions for both BPI and Royalties GP, the managing general partner of the Fund. Mr. Harbinson joined BPI as Chief Financial Officer in May 2019. From 2013-2019, Mr. Harbinson was the Senior Finance Director for Recipe Unlimited Corp. In the 10 years prior to 2013, Mr. Harbinson held progressively senior finance roles at Recipe Unlimited and Yum! Restaurants International (Canada) with extensive experience working in franchise systems. Mr. Harbinson's

experience includes acquisitions, divestitures, strategic planning, refinancing of debt, corporate structure changes, public offerings and dealing with all levels of public disclosure and reporting. Mr. Harbinson holds a Bachelor of Arts (Honours) from Queen's University, a Master of Business Administration from Schulich School of Business and obtained his Chartered Accountant (now Chartered Professional Accountant) designation in 2001.

JONATHAN JESKE, SENIOR VICE PRESIDENT & GENERAL COUNSEL: As Senior Vice President and General Counsel, Mr. Jonathan Jeske is responsible for all legal affairs of BPI, including corporate and legal franchising matters. Mr. Jeske joined BPI as its General Counsel in June 2008 and was promoted to Senior Vice President in July 2018. Prior to joining BPI, Mr. Jeske was a partner at Borden Ladner Gervais LLP, where he practiced corporate and commercial law since 1999. From 2004 through 2007, Mr. Jeske was also an adjunct professor of corporate law at the Law School of the University of British Columbia. Mr. Jeske has been a member of the Law Society of British Columbia since 1999.

PETER BLACKWELL, SENIOR VICE PRESIDENT, MARKETING AND COMMUNICATIONS: As Senior Vice President, Marketing and Communications, Mr. Peter Blackwell is responsible for all marketing activities, communication and public relations within Boston Pizza. Mr. Blackwell joined BPI in June 2018 as the Senior Vice President, Marketing and Communications. Prior to his appointment as Senior Vice President, Marketing and Communication, Mr. Blackwell was most recently the Head of Transformation Strategy, and previously the Head of Marketing for Volkswagen Group Canada Inc. from 2012-2017. Prior to Volkswagen Group Canada Inc., Mr. Blackwell was Vice President of Marketing for Canadian Tire, Director of Corporate Strategy for Kraft Canada, and spent over a decade in various brand management roles within the consumer packaged goods industry.

CARA PIGGOT, SENIOR VICE PRESIDENT, OPERATIONS AND FOOD SERVICES: As Senior Vice President, Operations and Food Services, Ms. Cara Piggot is responsible for all aspects of national operations, training, operational systems, the Boston Pizza food and beverage program, including strategic sourcing, supply chain management, new product development and quality assurance. Ms. Piggot joined BPI in June 2019 as Senior Vice President, Food Services. In November 2021, Ms. Piggot became Senior Vice President, Operations and Food Services when her role expanded to include national operations, training and operational systems. Prior to joining BPI, Ms. Piggot was the Global Head, Quality Assurance (2016-2018) and the Senior Vice President, Supply Chain from 2014-2016 with Restaurant Brands International. From 1995-2014, Ms. Piggot held increasingly senior positions with Tim Hortons for Canada, USA & International in strategic management, research and development, quality assurance and training. Ms. Piggot holds a Bachelors of Applied Science (B.A. Sc.) Environmental Health from Ryerson University.

FELIX DECATA, SENIOR VICE PRESIDENT, NATIONAL DEVELOPMENT: As Senior Vice President, National Development, Mr. Felix DeCata is responsible for all construction, franchising, real estate and restaurant design within Boston Pizza. Mr. DeCata joined BPI in July 2012 as Director of Development where he was responsible for franchising development in Eastern Canada and the Atlantic provinces. Mr. DeCata progressed to Senior Director, Development Eastern Canada prior to his appointment to Vice President, National Development in September 2018 and Senior Vice President, National Development in April 2023.

BERNIE IP, SENIOR VICE PRESIDENT, BUSINESS TECHNOLOGY: As Senior Vice President, Business Technology, Mr. Bernie Ip is responsible for all aspects of information technology within Boston Pizza. Mr. Ip joined BPI in October 2023 as the Senior Vice President, Business Technology. Prior to joining BPI, Mr. Ip was the Vice President of Technology and Digital Solutions with E.B. Horsman & Son. From 2012-2021, Mr. Ip was the Director of Technology Services for the Vancouver Airport Authority. Mr. Ip's experiences include strategic technology alignment, digital transformation, cybersecurity, business intelligence & data analytics and project portfolio management. Mr. Ip holds a Bachelor of Commerce from the University of British Columbia.

All members of BPI's senior management team are employed under written employment contracts that contain, among other things, restrictions on the ability of those employees to compete against BPI and Boston Pizza Restaurants both while they are employed by BPI and for a period of time after they cease to be employed by BPI.

As at December 31, 2023, BPI had 159 employees and BP Canada LP had no employees.

Treliving Private Investments Ltd.

Treliving Private Investments Ltd. ("**TPIL**") is a privately controlled company that acts as an advisory group to assist Mr. Treliving fulfil his responsibilities as the sole director of BPI. The senior management team of TPIL consists of two senior officers led by Mr. Treliving's daughter, Cheryl Treliving. Ms. Treliving joined BPI in 2008 as Executive Director of the Boston Pizza Foundation. In September 2016, Ms. Treliving became President of Treliving Management Services Ltd. (a predecessor to TPIL). In September 2019, Treliving Management Services Ltd. was dissolved and Ms. Treliving became the President of TPIL. Mr. Brad Hallwood is the Chief Investment and Operations Officer of TPIL. Mr. Hallwood joined Treliving Management Services Ltd. as Vice President, Corporate Strategy in 2017 and in April 2023 was appointed Chief Investment and Operations Officer of TPIL.

Franchise Support Systems

BPI and BP Canada LP believe that their historical success, and the success of Boston Pizza going forward, begins with the success of each individual franchise. BP Canada LP's approach to restaurant development begins with the careful selection of the right market site and coupling an appropriate location with a strong franchisee. BP Canada LP provides the following support services to its franchisees:

Franchisee Selection – BPI and BP Canada LP have developed a systematic approach to franchisee selection. A potential franchisee must go through a series of interviews with senior managers in each of the key business operational areas: marketing, finance and operations. A series of financial and background checks are also conducted on a potential franchisee.

Real Estate – BPI's real estate managers take a lead role in sourcing, negotiating and securing sites, as well as assembling the necessary site approval information. They provide full demographic and market analysis as well as site information. Once assembled, the site packages go through a multi-department review with senior management before final approval is given to the franchisee.

Finance – BP Canada LP administers national franchise finance programs with major Canadian lenders to provide funds for new restaurant construction, restaurant renovations and equipment leasing. However, neither BPI nor BP Canada LP provides these financial institutions with a guarantee of franchisees' obligations or otherwise provides financial assistance to the franchisees. A comprehensive general insurance program has been developed with the support of insurance brokers and consultants to provide Boston Pizza franchisees with a complete and competitive program that effectively protects the interests of the franchisees, BPI and BP Canada LP. A group benefits program is administered through BPI's Finance group providing corporate staff and the franchisee community with benefits coverage for employees and their families.

Construction and Design – BPI and BP Canada LP have developed a project management process that oversees new restaurant design and construction with the franchisee to ensure adherence to BP Canada LP's restaurant design standards. The design and construction process includes the design, tender and award process, development review process, construction start-up meetings, on-site construction completion and pre-opening review, final inspection, one-year warranty inspection and final project review. The construction department also has oversight of the renovation construction process with the franchisees to ensure adherence to BP Canada LP's current design standards. Unless otherwise agreed to by BP Canada LP, each Boston Pizza Restaurant must renovate their restaurant on a seven-year cycle. The renovation includes design changes to the exterior and interior, scope of work, budget preparation, drawing and tendering.

Training – New franchisees and/or their general manager will undergo four weeks of intensive theoretical and practical training at BPI's franchisee training centre. New franchisees who purchase an existing Boston Pizza Restaurant through BPI's restaurant resale program will receive an additional one week of on-site corporate training and support in their new Boston Pizza Restaurant. In addition to the initial franchisee

training program, BP Canada LP provides ongoing training programs, including in-market sessions annually, a leadership conference every two years, and ongoing online learning sessions.

Restaurant Opening Support – A regional operations manager is assigned to each new franchisee to assist with their opening plan and a restaurant opening marketing support program. The assigned regional operations manager and a member of BPI's marketing department work with each new franchisee to review marketing strategies and plans and provide each new restaurant with its new opening budget. Two weeks before the Boston Pizza Restaurant's opening date, BP Canada LP supplies a four-person training team that stays on-site for four weeks. The training team assists the franchisee in training staff and managers on restaurant operating standards in the two weeks before opening. The training team provides live support in the two weeks after opening. In addition, the new franchisee, restaurant general manager and restaurant kitchen manager will participate in a hospitality leadership program before the on-site training. The hospitality leadership program is a minimum four-week program.

Ongoing Field Support – Each Boston Pizza Restaurant is assigned to a regional operations manager who provides ongoing support and assessment of the Boston Pizza Restaurant's operational standards. In the first year a Boston Pizza Restaurant is open, it will receive at least two visits from its regional operations manager. Also, within the first year, new restaurants receive a third-party food safety review after their first 90 days of opening. After completing this instructional visit, the restaurant receives another food safety assessment within three to six months. After the first year, each Boston Pizza Restaurant receives a minimum of two assessments (conducted by a third-party provider), two visits each with its regional operations manager for support and planning, including a core brand standards assessment, ongoing online learning sessions and in-market or virtual training sessions. Several programs utilize comprehensive tools and reports that help franchisees understand their overall guest satisfaction. All programs link into an annual reward program that recognizes top-performing Boston Pizza Restaurants that use and execute BP Canada LP's programs, processes, and tools.

Purchasing and Distribution – BP Canada LP leverages Boston Pizza's buying power to procure high quality ingredients at the best possible prices. Approximately 80% of total food purchases are covered under national buying contracts that are negotiated directly with manufacturers. This allows Boston Pizza Restaurants to procure food, packaging and equipment at prices that are lower than the market average price for like items.

Research and Development – BPI employs certified chefs, who together are responsible for food and beverage menu development. This group's key goal is the continuous refreshment and updating of the menu while maintaining BP Canada LP's strategic food cost target. This group also collaborates with Marketing on menu design, administration, and pricing decisions.

Information Technology – Franchisees use the POSitouch point of sale system for order entry, inventory, labour management and reporting. POSitouch provides detailed information on food and labour costs, and the system's architecture allows BP Canada LP to collect detailed sales information electronically. This information is stored in a data warehouse and is then used by BPI's staff to analyze menu item profitability, menu item sales volumes and to support marketing decisions. Immediate communication throughout the organization is achieved online through BPI's Intranet system, "Bostonlink", a web-based knowledge management and collaboration system which allows franchisees and corporate staff continual access to key operational information and company announcements along with access to online manuals and resource materials.

Franchise Agreement – The legal relationship of a franchisee and BP Canada LP is governed by a franchise agreement between each franchisee and BP Canada LP. In BP Canada LP's standard franchise agreement, BP Canada LP licenses a franchisee the right to operate a Boston Pizza Restaurant and use the BP Rights at and from a specific geographical location strictly in accordance with comprehensive standards and protocols mandated in the franchise agreement. For this right, the franchisee is required to pay BP Canada LP a 7% royalty on Franchise Sales (in the case of a full-service restaurant) and a 5% royalty on Franchise Sales (in the case of a quick express restaurant), together with a marketing fee of 3% of Franchise Sales and certain other charges as specified in the franchise agreement. The initial term of a

franchise agreement is typically 10 years, with a right to renew the franchise agreement for an additional term of 10 years in certain circumstances. One of BP Canada LP's competitive strengths is that the franchise agreement requires each Boston Pizza Restaurant to undergo, at the franchisee's expense, a complete restaurant renovation every seven years and complete any equipment upgrades as required by BP Canada LP. BP Canada LP has the right to terminate a franchise agreement in a variety of circumstances, including a material breach of the franchise agreement by the franchisee or the bankruptcy or insolvency of the franchisee.

Competitive Strengths

BPI and BP Canada LP believe that the success of the Boston Pizza concept is driven by the following factors:

- Low Food Costs and Menu Variety – The Boston Pizza menu features pizza and pasta which has been designed with focus on high performing customer favourites. The balance of low-cost high return signature food items like pizza and pasta and high-cost items such as steak, seafood or poultry affords Boston Pizza Restaurants a lower than average overall food cost while providing guests with tremendous menu variety.

- Broad Demographic Appeal – Boston Pizza Restaurants operate within three distinct channels of the full-service restaurant segment; as a casual dining restaurant, as a sports bar, and in the takeout and delivery channel. The breadth of the Boston Pizza concept means that the typical Boston Pizza Restaurant has broader demographic appeal, primarily targeting young families as restaurant guests as well as young adults with no children as sports bar customers. The availability of a wide array of menu items through the takeout and delivery channel satisfies the growing demand for restaurant food at home. These three channels are typically considered to be different restaurant occasions.

- Ability to Target Multiple Dayparts – The Boston Pizza concept provides a franchisee with the flexibility necessary to target four distinct "dayparts" or segments – lunch, dinner and late night, as well as the takeout and delivery segment. Typically, other casual dining concepts are not as well developed in the late night and takeout and delivery segments.

- Single Brand Focus – BPI's and BP Canada LP's exclusive focus on Boston Pizza has driven the continued successful evolution of the brand. This has had a significant impact in the areas of menu development, franchisee communication and relations, and marketing.

- Franchise System Focus – Unlike many competitors in the casual dining segment, BPI's and BP Canada LP's business is focused on franchisee operations rather than owning and operating restaurants corporately. BPI owns and operates only one Boston Pizza Restaurant. The focus of BPI's and BP Canada LP's operations is on the success of BP Canada LP's franchised restaurants.

- Market Flexibility – With its menu diversity, average cheque advantage and profitability potential for a franchisee, the Boston Pizza concept has enjoyed success in a wide range of markets, including smaller markets. Some very successful franchises operate in trade areas with populations under 20,000 people. The profitability and universality of the Boston Pizza concept allows for expansion into markets which BPI and BP Canada LP believe would be unable to support other competing casual dining concepts.

- Average Cheque Advantage – Boston Pizza delivers a top-quality eating experience with a lower average guest cheque relative to many other casual dining restaurants. This translates into a significant advantage for franchisees, BPI and BP Canada LP, by being able to target a broader market generally and in providing an appealing "cross-over" option for customers in changing economic conditions.

- Ability to Continuously Update the Concept – BP Canada LP's franchise agreement requires franchisees to update their restaurants at least every seven years to current standards set by BP Canada LP. This is a significant advantage in that it allows BP Canada LP to ensure that locations are maintained at the highest standards and allows for regular updating of the concept. In many cases this regular updating and renovation has been a key determinant of the continued success of specific locations.

- Efficient and Effective National Marketing Platform – Boston Pizza is one of the few casual dining restaurant brands in Canada able to utilize the efficiencies of national marketing initiatives such as purchasing national network television media and targeted digital media across multiple digital platforms with scale. The efficiencies and effectiveness of the marketing platform has allowed BPI and BP Canada LP to invest in an aggressive promotional calendar.

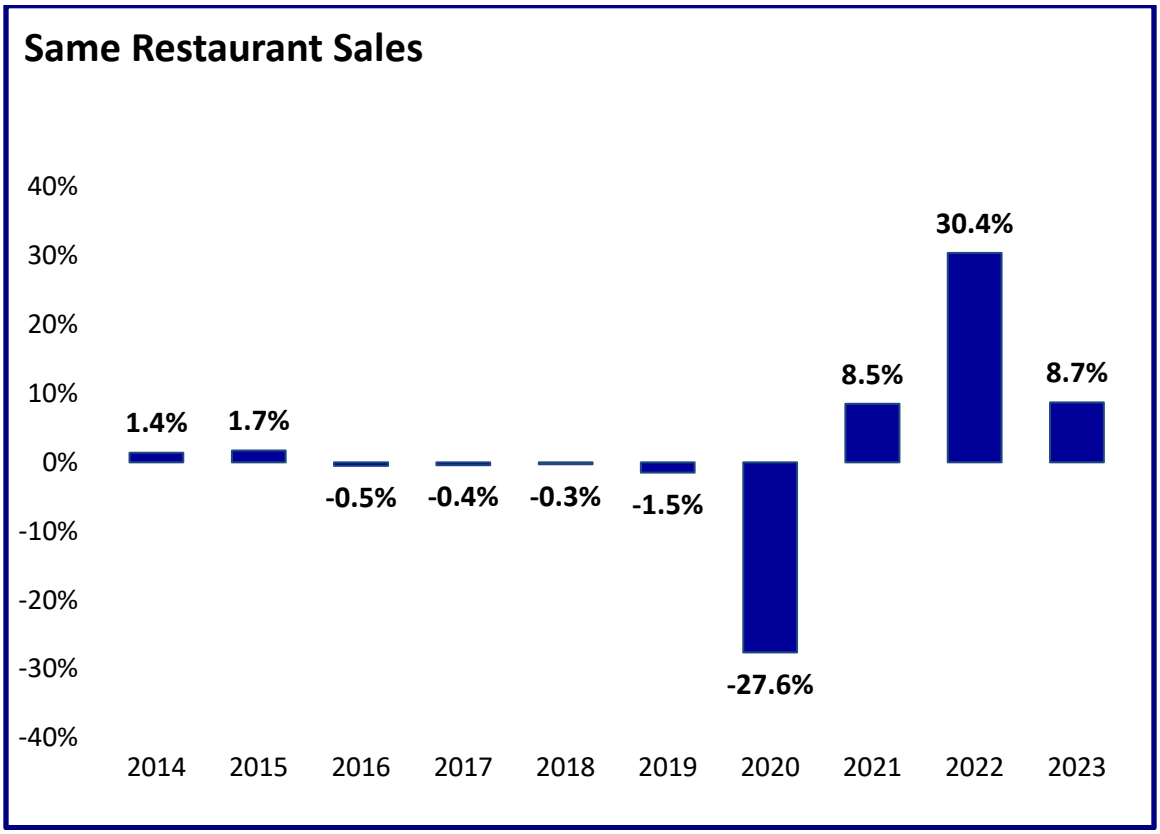
- Advantages of Scale and Scope – As well as increasing marketing impact, BPI and BP Canada LP are able to benefit from the large number of franchise operations to increase purchasing efficiencies and reduce unit cost overhead in providing services to franchisees.

Growth Strategy

While the industry is recovering from COVID-19, management believes that Boston Pizza is well positioned to strengthen its number one position in the casual dining market. BP Canada LP's long-term future growth is expected to come from a combination of SRS and new restaurant growth.

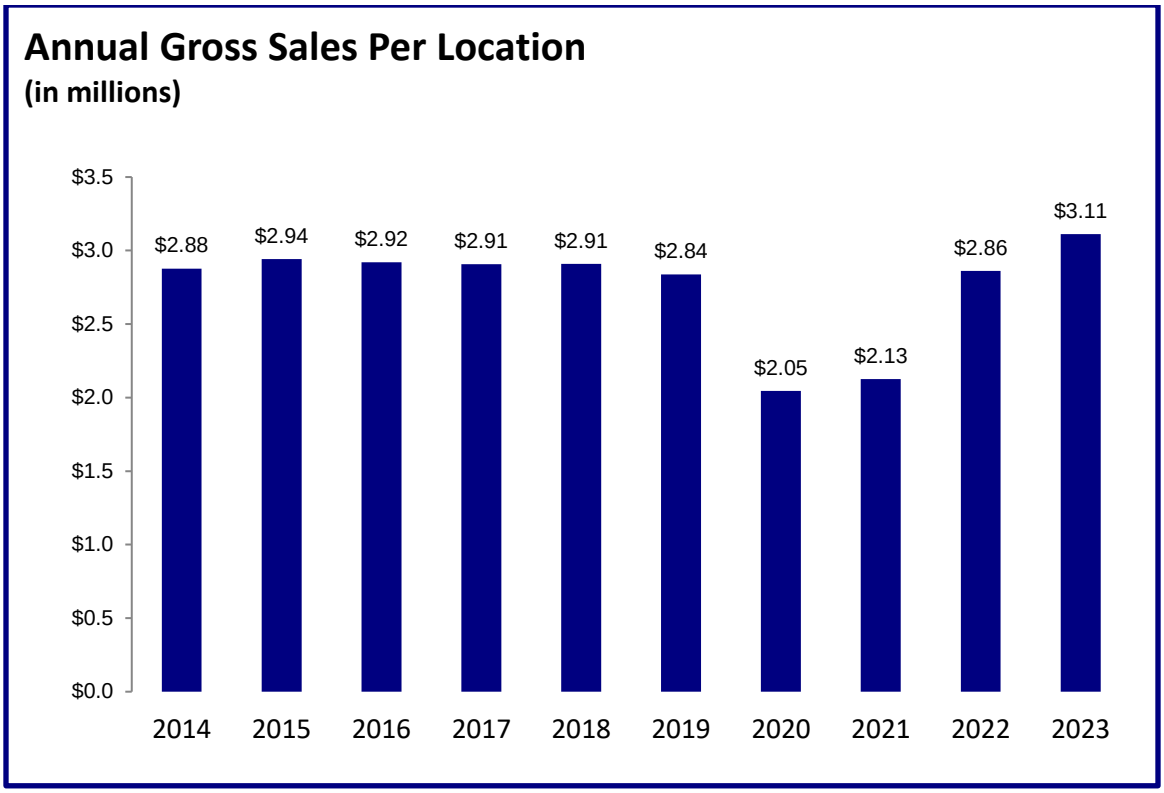
- Same Restaurant Sales – BPI and BP Canada LP have achieved an average annual SRS of 2.0% from 2014 to 2023. COVID-19 materially affected SRS from 2020 to 2022, with SRS in 2020 being negative 27.6%, SRS in 2021 being 8.5% and SRS in 2022 being 30.4%. In 2023, Franchise Sales surpassed pre-pandemic levels with SRS of 8.7%. BP Canada LP's franchise agreement requires that each Boston Pizza Restaurant undergo a complete restaurant renovation once every seven years at the franchisee's expense, as well as any equipment upgrades required by BP Canada LP. Boston Pizza Restaurants typically close or partially close for two to three weeks to complete the renovation, which incorporates updated design elements that result in a refreshed and more appealing restaurant.

The following chart shows SRS over the last 10 years ended December 31, 2023.



- Gross Sales per Restaurant[10] – The following chart shows average annual Gross Sales per Boston Pizza Restaurant over the last 10 years ended December 31, 2023 (excluding (i) any Boston Pizza Restaurant that was not open for a minimum of 24 months as at the end of the applicable year, and (ii) Boston Pizza Quick Express locations).

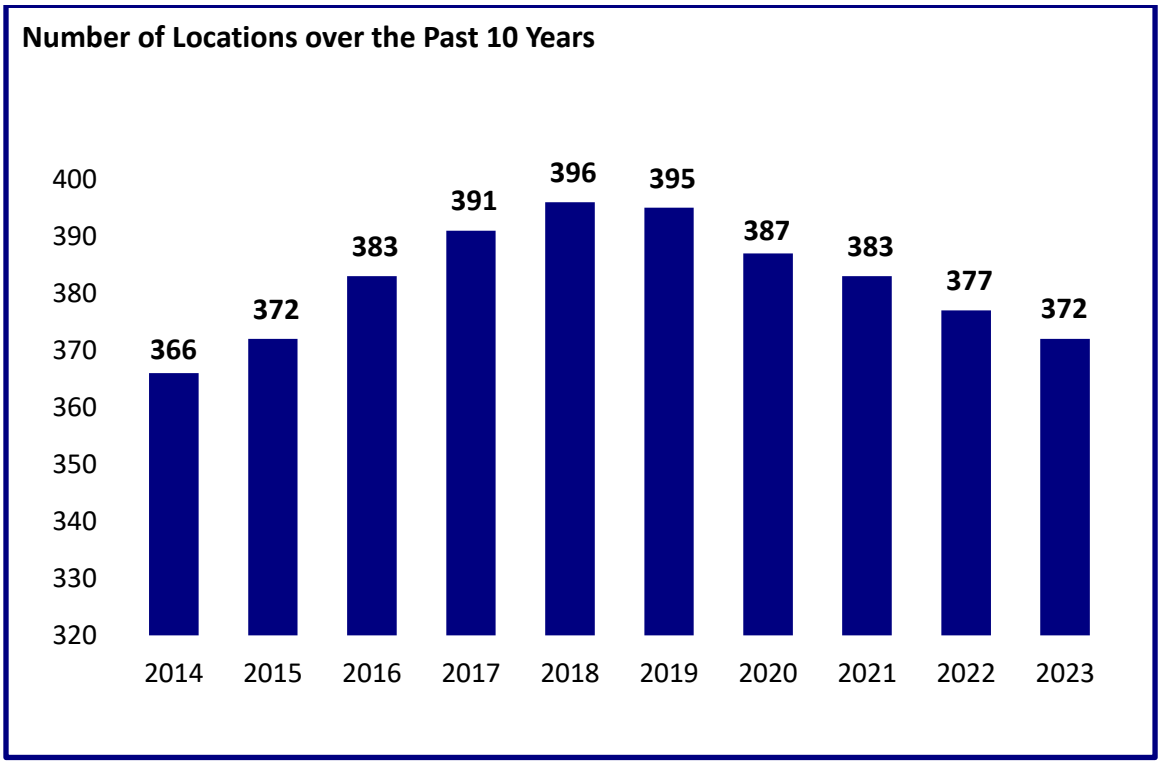
10 "**Gross Sales per Restaurant**" is a supplementary financial measure under NI 52-112 and therefore may not be comparable to similar measures presented by other issuers. Gross Sales per Restaurant for any particular year is calculated by taking the aggregate annual Gross Sales of Boston Pizza Restaurants that have been open a minimum of 24 months for that year and dividing it by the number of Boston Pizza Restaurants that have been open a minimum of 24 months. The Fund and BPI believe that Gross Sales per Restaurant provides useful information to investors regarding the average performance of Boston Pizza Restaurants that have been open a minimum of 24 months.



- Growth in New Restaurants – While COVID-19 and economic uncertainty has resulted in slowed growth of new Boston Pizza Restaurants, BP Canada LP currently has commitments from 10 franchisees to develop new Boston Pizza Restaurants. Eastern Canada and Québec are markets with significant development potential for new Boston Pizza Restaurants. BP Canada LP will also continue to infill an already well-developed market in Western Canada. As at February 13, 2024, BP Canada LP has received five deposits for new Boston Pizza Restaurants in Western Canada, three deposits for new Boston Pizza Restaurants in Eastern Canada and one deposit for a new Boston Pizza Restaurant in Québec. As at December 31, 2023, there were 372 Boston Pizza Restaurants. The following is a summary of Boston Pizza Restaurants by province as at December 31, 2023:

Province	**Number of Existing Restaurants**
Alberta	108
British Columbia	55
Manitoba	21
New Brunswick	5
Newfoundland and Labrador	4
Northwest Territories and Yukon	2
Nova Scotia	12
Ontario	110
Prince Edward Island	1
Québec	30
Saskatchewan	24
TOTAL	**372**

The following chart shows the total number of Boston Pizza Restaurants in existence during the last 10 years ended December 31, 2023:



Government Regulation

Local Regulation of Boston Pizza Restaurants

Boston Pizza Restaurants are subject to licensing and regulation by a number of governmental authorities, which may include liquor, health, sanitation, safety, fire, building and other agencies in the provinces or municipalities in which Boston Pizza Restaurants are located. Developing new Boston Pizza Restaurants in particular locations requires licenses and land use approval, and restaurant openings could be delayed by difficulties in obtaining such licenses and approvals or by more stringent requirements of local government bodies with respect to zoning, land use and licensing. Boston Pizza franchisees must comply with all applicable federal, provincial and local laws and regulations. Pursuant to its franchise agreements, BP Canada LP is indemnified by Boston Pizza franchisees for any liabilities or costs incurred which are attributable to the franchisee's failure to comply with such laws and regulations. The value of the indemnity is, however, limited by the assets and financial resources of the applicable franchisee.

Food Product Regulation

BPI, BP Canada LP, Boston Pizza franchisees and suppliers of food products to Boston Pizza Restaurants must comply with applicable federal and provincial regulations relating to the manufacturing, preparation and labelling of food products.

Franchise Regulation

BP Canada LP must comply with the laws and regulations adopted in the Provinces of British Columbia, Alberta, Manitoba, Ontario, Prince Edward Island and New Brunswick that require certain disclosure to be made with respect to the offer and sale of franchises. These laws require that BP Canada LP furnish prospective Boston Pizza franchisees with a disclosure document containing information prescribed by these laws.

Employment Regulations

BPI, BP Canada LP and Boston Pizza franchisees are subject to provincial labour and employment laws that govern their relationship with employees, such as minimum wage requirements, overtime and working conditions.

Regulations Governing Alcoholic Beverages

Alcoholic beverage control regulations require that BPI, its subsidiaries, BP Canada LP or a Boston Pizza franchisee, as the case may be, apply to a provincial or a municipal authority for a license or permit to sell alcoholic beverages on the premises and, in certain locations, to provide service of alcoholic beverages for extended hours and on Sundays. Typically, licenses must be renewed annually and may be revoked or suspended for cause at any time. Alcoholic beverage control regulations relate to numerous aspects of daily operations of a Boston Pizza Restaurant, including the minimum age of patrons and employees, hours of operation, advertising, wholesale purchasing, inventory control, and handling, storage and dispensing of alcoholic beverages.

Boston Pizza Restaurants may be subject to certain provincial statutes, which may provide a person injured by an intoxicated person the right to recover damages from an establishment that wrongfully served alcoholic beverages to the intoxicated person.

Regulations Governing Smoking

Boston Pizza Restaurants are subject to various laws that prohibit or limit smoking on the premises and that impose fines for failure to adhere to such laws.

Competition

Boston Pizza Restaurants compete with other food service operations within the same geographical area. Competitors, in the broadest perspective, include full-service restaurants, quick service restaurants, coffee shops, delicatessens and supermarkets. More narrowly, Boston Pizza is competing within the casual dining category of the full-service restaurant segment. The principal competitors to Boston Pizza vary from market to market and include a number of regional and national chain restaurants. These include Earl's, East Side Mario's, Jack Astor's, Kelsey's, Montana's and The Keg, as well as other smaller chains.

Boston Pizza competes with other casual dining concepts for high quality restaurant sites as well as committed, qualified individuals as franchisee candidates. In terms of customers, competition comes primarily through the quality, variety and value perception of the menu items, as well as through the perception of the quality of the dining experience. The number of locations, attractiveness of facilities, effectiveness of marketing and menu development are also important competitive factors.

Economic Uncertainty

The success of BPI, BP Canada LP and Boston Pizza Restaurants, and the amount of Franchise Sales, Royalty, Distribution Income and Distributable Cash available for distribution to Unitholders, are dependent upon many economic factors, including impacts of inflation, increases in interest rates, unemployment rates, consumer confidence, recession, supply chain disruption, labour availability and other globally disruptive events. However, despite the current state of economic uncertainty, Boston Pizza Restaurants have been able to generate solid Franchise Sales and offer affordable dining options, both on and off-premise, for guests in economically uncertain times. As demonstrated during COVID-19, BPI, BP Canada LP and Boston Pizza Restaurants have the ability to adapt to changes in operating environments and economic conditions. For additional information regarding economic uncertainties, refer to the "Risks & Uncertainties – Risks Related to the Restaurant Industry and Business of BPI and BP Canada LP – Economic Uncertainties".

Seasonality

Boston Pizza Restaurants experience seasonal fluctuations in Franchise Sales, which are inherent in the full-service restaurant industry in Canada. Seasonal factors such as better weather allow Boston Pizza Restaurants to open their patios and generally increase Franchise Sales in the second and third fiscal quarters compared to the first and fourth fiscal quarters. Tourism is also a seasonal factor positively impacting the same time frame.

BPI Credit Facilities

BPI Credit Facilities

The BPI Credit Facilities with the Bank are in the amount of up to $21.6 million as at December 31, 2023 (originally $43.3 million) and mature on July 1, 2026. The BPI Credit Facilities are comprised of: (i) a $10 million committed revolving facility to cover BPI's day-to-day operating requirements if needed (the "**Operating Line**"); and (ii) a $11.6 million committed non-revolving term facility that was used to finance the 2017 Reorganization (the "**Term Loan**"). The BPI Credit Facilities bear interest at variable interest rates comprised of either, or a combination of, as selected by BPI, the Bank's bankers' acceptance rates or Canadian dollar offered rates[11] plus between 1.25% and 2.10%, or the Bank's prime rate plus between 0.00% and 0.90%, depending upon BPI's Total Funded Net Debt to EBITDA ratio, and interest is payable monthly in arrears. The Term Loan and the principal amount drawn on the Operating Line are due and payable upon maturity. The principal amount drawn on the Term Loan must be reduced by quarterly payments of $0.4 million each, which permanently reduces the amount available under the Term Loan. As previously noted, BPI made a voluntary repayment of $5.0 million on the Term Loan on each of December 28, 2022 and August 25, 2023, in addition to the required quarterly payment of $0.4 million paid throughout the year. As of December 31, 2023, no amount was drawn on the Operating Line and $11.6 million was outstanding on the Term Loan.

The principal financial covenants of the BPI Credit Facilities are that: (a) BPI and BPI's Subsidiaries, taken as a whole, shall maintain a Total Funded Net Debt to EBITDA ratio of not greater than 3.00:1 (tested quarterly on a trailing 12-month basis); (b) BPI and BPI's Subsidiaries, taken as a whole, shall not permit its: (i) pre-distribution debt service coverage ratio to be less than 1.10:1 on closing and until December 31, 2023 and less than 1.25:1 thereafter (tested quarterly on a trailing 12-month basis); and (ii) post-distribution debt service coverage ratio to be less than 1.00:1 (tested quarterly on a trailing 12-month basis); and (c) the Class B Units and Class 2 GP Units that BPCHP has pledged to the Bank and which are exchangeable for Units must have a value, at any time, equal to at least 100% of the outstanding advances under the BPI Credit Facilities. In addition, the BP Credit Agreement, as amended by the First Supplemental BPI Credit Agreement and the Second Supplemental Credit Agreement, governing the BPI Credit Facilities contain certain covenants and restrictions, including the requirement to meet the financial ratios described above. A failure of BPI to comply with these covenants and restrictions could entitle the Bank to demand repayment of the outstanding balance drawn on the BPI Credit Facilities prior to maturity.

11 A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates ("**IBOR**") with alternative rates. On December 16, 2021, the Canadian Alternative Reference Rate working group ("**CARR**") recommended that the administrator, Refinitiv Benchmark Services UK Limited ("**RBSL**"), cease publication of the Canadian Dollar Offered Rate ("**CDOR**") settings immediately after June 28, 2024. On May 16, 2022, following public consultation, RBSL announced that all remaining CDOR settings will cease publication immediately after June 28, 2024, in line with CARR recommendations. As at December 31, 2023, BPI's IBOR exposure is indexed to CDOR. The alternative rate for CDOR is the Canadian Overnight Repo Rate Average ("**CORRA**"). BPI has had preliminary discussions with the Bank regarding amending the BPI Credit Facilities prior to June 28, 2024 to replace the current rates that are based upon CDOR with corresponding rates that are based upon CORRA. While the precise rates that will be based on CORRA have not yet been agreed upon by BPI and the Bank, BPI does not expect these amendments to result in a material increase in BPI's cost of borrowing under the Credit Facilities.

Security and Covenants

The BPI Credit Facilities are guaranteed by each of BPI's Subsidiaries except BP Canada LP, each of whom has granted security for its obligations under those guarantees. BPI's obligations under the BPI Credit Facilities are secured by:

- a first position charge over the Class B Units and Class 2 GP Units held indirectly by BPI and proceeds therefrom;
- a first position charge over all the assets of BPI's Subsidiaries (excluding BP Canada LP) and proceeds therefrom; and
- a second position charge over all other assets of BPI and proceeds therefrom that is subordinate to the security interests granted by BPI in favour of Royalties LP under the BPI GSA to secure the Royalty Obligations.

The Bank and Royalties LP entered into a second amended and restated priority agreement dated April 11, 2018 to set forth their relative priorities with respect to the security granted by BPI and BPI's Subsidiaries (excluding BP Canada LP) in favour of the Bank and the security granted by BPI and BPI's Subsidiaries in favour of Royalties LP under the BPI GSA and the Subsidiaries GSAs (the "**Priority Agreement**"). Under the Priority Agreement, Royalties LP has a first position charge over all assets of BP Canada LP, all assets of BPI other than the Class B Units, Class 2 GP Units and BPI's Subsidiaries (excluding BP Canada LP), and has a second position charge over the Class B Units and Class 2 GP Units indirectly held by BPI and the assets held by BPI's Subsidiaries (excluding BP Canada LP). BP Canada LP has not guaranteed, nor granted any security, in respect of the BPI Credit Facilities.

BPI, as part of the security granted to the Bank, has pledged all of the Class B Units and Class 2 GP Units indirectly held by BPI, which are convertible into Units.

Under the BPI Credit Facilities, BPI agreed, among other things, to not, and to cause each of BPI's Subsidiaries (excluding BP Canada LP) to not, without consent of the Bank:

- create any funded debt (subject to certain exceptions);
- grant a security interest in their assets (excluding standard permitted liens);
- dispose of any assets (subject to certain exceptions);
- make any acquisitions or investments except for investments in cash or cash equivalents;
- guarantee any debt (subject to certain exceptions);
- pay any distributions or dividends (subject to certain exceptions);
- permit the issuance, sale or transfer of any of their equity securities (subject to certain exceptions);
- amalgamate, reorganize or merge (subject to certain exceptions);
- allow a change of control; and
- exchange any Class 3 GP Units, Class 4 GP Units or Class 5 GP Units of BP Canada LP.

In addition, BP Canada LP has agreed with the Bank not to do any of the following without the Bank's prior written consent:

- create, incur or assume any funded debt; and

- grant or permit any security interest or lien to exist over its assets other than: (i) statutory liens for amounts not yet overdue; (ii) landlord rights of distress for rent not yet overdue; and (iii) security interests granted in favour of Royalties LP in respect of BPI's Royalty Obligations.

BPI's compliance with its covenants is determined and calculated in accordance with the terms of BPI's agreements with the Bank.

LICENSE AND ROYALTY

The License

Pursuant to the License and Royalty Agreement, Royalties LP has granted to BPI the License to use the BP Rights for a period of 99 years from July 17, 2002 to December 30, 2101. As part of the 2015 Transaction, BPI has sublicensed the BP Rights to BP Canada LP pursuant to the BP Licensed Marks Sublicense Agreement. See "BP Licensed Marks Sublicense Agreement".

The Royalty

As consideration for the License, BPI pays Royalties LP on a monthly basis the Royalty equal to 4.0% of Franchise Sales for all Boston Pizza Restaurants included in the Royalty Pool. The amount of the Royalty is determined at the end of each month and is payable on the 21st day following the end of such month.

The Royalty Pool, at any time, is comprised of the Boston Pizza Restaurants for which Franchise Sales is to be calculated and for which the Royalty is to be paid at such time. As of February 13, 2024, there are 372 Boston Pizza Restaurants in the Royalty Pool. For the purposes of determining the amount of the Royalty payable at any time, Franchise Sales is Gross Sales after deducting revenue from the sale of liquor, beer, wine and approved national discounts and excluding applicable sales and similar taxes.

Each time a Royalty payment is made to Royalties LP, BPI provides Royalties LP with a statement, certified as correct by the Chief Financial Officer of BPI, of the amount of the Franchise Sales for the month for which the Royalty is paid. Royalties LP is entitled to inspect the books and records of BPI at any time to review the determination of the amount of the Royalty that is payable by BPI. BPI is obligated to provide Royalties LP and the Fund, by February 28 of each year, with an audited statement of the amount of Franchise Sales for the 12 months ended on December 31 of the preceding year.

BPI is also obligated to provide Royalties LP and the Fund with BPI's unaudited financial statements within 45 days of the end of each quarterly accounting period of BPI and audited annual consolidated financial statements within 90 days of the end of each Fiscal Year of BPI. These financial statements are required to be prepared in accordance with IFRS.

Operating Covenants of BPI in the License and Royalty Agreement

BPI is obligated under the License and Royalty Agreement, among other things, to:

- operate and conduct its business (including the supervision of the Boston Pizza franchisees) in at least the manner and to at least the standards that its business was conducted and operated as at July 17, 2002;

- preserve and protect the business of BPI;

- collect all fees and other amounts payable under franchise agreements by Boston Pizza franchisees;

- monitor the compliance of Boston Pizza franchisees with the trade-mark and character and quality standards set under the franchise agreements;

- enforce the observance and performance of franchise agreements by Boston Pizza franchisees in a manner that is consistent with good and prudent business practices; and

- not, without the consent of the Trustees, which will not be withheld unreasonably, amend the terms of any franchise agreement such that:

    - royalty revenues under a franchise agreement are calculated in a manner that is not consistent with the present and past practices of BPI, including, without limitation, any reduction in the percent of food sales that is payable by franchisees as a royalty;

    - franchisees are required or have the opportunity to purchase supplies or equipment from BPI or any affiliate of or related party to BPI, in connection with any change in the manner by which royalty revenues are determined; or

    - franchisees are obligated to carry on business in a manner that is not materially consistent with historical Boston Pizza practice.

Adjustments of the Royalty

The Royalties Limited Partnership Agreement and the License and Royalty Agreement provide for adjustments to the distribution and exchange entitlements of the Class B Units, based upon permanently closed Boston Pizza Restaurants and any New Restaurants, to reflect the additional Royalty payable by BPI to Royalties LP as a result of adding New Restaurants to, and removing Closed Restaurants from, the Royalty Pool on each Adjustment Date. See "Annual Adjustment to Royalty Pool" and "General Development of the Business – Adjustments to the Royalty Pool" for an example of adjustments of the Royalty Pool.

Guarantee and Security for the Royalty

Guarantee

Each of BPI's Subsidiaries has granted Royalties LP the Subsidiaries Guarantees, pursuant to which each of BPI's Subsidiaries has guaranteed BPI's Royalty Obligations. BPI has agreed with Royalties LP to cause any newly formed or acquired wholly-owned subsidiary to guarantee BPI's Royalty Obligations and to grant a general security agreement in favour of Royalties LP to support such guarantee.

Security

The Royalty Obligations (including payment of the Royalty) are secured by:

(a) a security interest in all present and after acquired property of BPI (with certain exceptions), pursuant to the BPI GSA granted by BPI in favour of Royalties LP; and

(b) a security interest in all present and after acquired property (with certain exceptions) of each of BPI's Subsidiaries (including all amounts payable to BP Canada LP by the Boston Pizza franchisees operating Boston Pizza Restaurants in Canada) pursuant to the Subsidiaries GSAs granted by each of BPI's Subsidiaries in favour of Royalties LP.

Under the BPI GSA and the Subsidiaries GSAs, Royalties LP is entitled, in the event of a default by BPI or any of BPI's Subsidiaries, respectively, to appoint a receiver of BPI or any of BPI's Subsidiaries, respectively, with the power to carry on their respective business. All amounts realized by the receiver, after costs, will be applied to the costs of operating the business of BPI or any of BPI's Subsidiaries, as the

case may be, if the receiver chooses to operate such businesses, and to the payment of the Royalty to Royalties LP.

Priority of Security

As previously described, the BPI Credit Facilities are guaranteed by each of BPI's Subsidiaries except BP Canada LP, each of whom has granted security for its obligations under those guarantees. See "Description of the Business – BPI Credit Facilities". Under the Priority Agreement, the security granted by BPI and BPI's Subsidiaries in favour of Royalties LP to secure the Royalty Obligations rank as follows in comparison to the security granted by BPI and BPI's Subsidiaries (excluding BP Canada LP) in favour of the Bank:

- Royalties LP has a first position charge over all the assets of BP Canada LP and proceeds therefrom;

- Royalties LP has a first position charge over all assets of BPI and proceeds therefrom other than the Class B Units, Class 2 GP Units and BPI's Subsidiaries (excluding BP Canada LP); and

- Royalties LP has a second position charge over the Class B Units and Class 2 GP Units indirectly held by BPI and the assets held by BPI's Subsidiaries (excluding BP Canada LP) and proceeds therefrom that is subordinate to the security interests granted by BPI and BPI's Subsidiaries (other than BP Canada LP) in favour of the Bank to secure BPI's and BPI's Subsidiaries' obligations to the Bank.

Negative Covenants

BPI and BPI's Subsidiaries have covenanted in the BPI GSA and Subsidiaries GSAs, respectively, among other things, not to:

- grant any security interests over any of their assets (with certain exceptions);

- incur any indebtedness (with certain exceptions) or grant any guarantees (with certain exceptions);

- dispose of any of their assets (with certain exceptions);

- allow the Permitted Debt Ratio at any time after June 28, 2022 to exceed 3.0:1. The "**Permitted Debt Ratio**" is the ratio of the aggregate indebtedness (with certain exceptions) of BPI and BPI's Subsidiaries to EBITDA for four financial quarters;

- pay any dividends or distributions to any person other than BPI or any of BPI's Subsidiaries (with certain exceptions) unless, among other things, BPI has paid all of the Royalty when due, BP Canada LP has paid all Distribution Income to Holdings LP when due, BPI and BPI's Subsidiaries are otherwise in compliance with their obligations under the BPI GSA and Subsidiaries GSAs, and the Permitted Debt Ratio does not exceed 3.0 to 1; or

- allow any disruption of receipt by BPI from BP Canada LP of all remaining cash generated from the franchise fees from the Boston Pizza franchise network after paying Distribution Income to Holdings LP on the Class 1 LP Units, Class 2 LP Units, and if applicable, Class 3 LP Units, Class 4 LP Units and Class 5 Units held by Holdings LP.

Certain Remedies

In the event of a default by BPI under the License and Royalty Agreement or BPI GSA, including the failure to pay the Royalty when due, or in the event of default by any of BPI's Subsidiaries under any of the

Subsidiaries GSAs, Royalties LP is entitled to a number of remedies, both at law and under the agreements. The principal remedies include the commencement of legal proceedings, assignment to Royalties LP of amounts owing by franchisees to BP Canada LP under its franchise agreements and the appointment of a receiver to take possession of the assets of BPI or BPI's Subsidiaries.

In the event of the bankruptcy or insolvency of BPI, the License and Royalty Agreement provides that BPI is required to prepay the Royalty by paying Royalties LP the present value at that time, of the Royalty over the remaining term of the License and Royalty Agreement.

Until the Royalty is brought into good standing, or Royalties LP agrees to other arrangements, and subject to applicable law (including laws governing reorganizations), a receiver appointed by Royalties LP or by the court could continue to operate the business of BPI and BPI's Subsidiaries.

The foregoing is a summary only of the remedies available to Royalties LP in the event of a default by BPI under the License and Royalty Agreement or in the event of a default by any of BPI's Subsidiaries under the Subsidiaries GSAs.

BP LICENSED MARKS SUBLICENSE AGREEMENT

Pursuant to the BP Licensed Marks Sublicense Agreement, BPI provided BP Canada LP a royalty-free sublicense to use the BP Rights for the purpose of BP Canada LP acting as the exclusive franchisor of Boston Pizza Restaurants for a term ending on the earlier of the termination or expiry of the License and Royalty Agreement or the dissolution of BP Canada LP. Under the BP Licensed Marks Sublicense Agreement, BP Canada LP has agreed to fully comply with the License and Royalty Agreement, and to cooperate with BPI in BPI fulfilling its obligations under the License and Royalty Agreement. Royalties LP has consented to BP Canada LP fulfilling certain obligations of BPI under the License and Royalty Agreement and has agreed that BP Canada LP's fulfillment of those obligations will be treated as though BPI fulfilled the same.

DESCRIPTION OF ROYALTIES LP

General

Royalties LP is a limited partnership formed under the laws of British Columbia. The business of Royalties LP is the ownership of the BP Rights, the taking of actions consistent with the License and Royalty Agreement to exploit, to the fullest extent possible, the use of the BP Rights by BPI, the collection of the Royalty payable to Royalties LP under the License and Royalty Agreement, and the administration of the affairs of the Fund, Holdings LP, Holdings GP and the Trust. Royalties LP is governed by the Royalties Limited Partnership Agreement.

Partners

The members of Royalties LP are Royalties GP, as the managing general partner holding 99% of the Royalties GP Units; BPI, as a general partner holding in aggregate 1% of the Royalties GP Units and 100% of the Class B Units (indirectly through BPCHP); and Holdings LP, as the sole limited partner holding 100% of the LP Units, Class A Units, Class C LP Units and Class D Units.

Royalties LP Securities

As of February 13, 2024, there are 2,872,800 Class B Units, 100 Royalties GP Units, 7,690,000 LP Units, 1,605,290 Class A Units, 2,400,000 Class C LP Units, and 10,732,735 Class D Units issued and outstanding. The rights and entitlements of these units in Royalties LP with respect to voting, distributions of distributable cash, allocations of income and distributions of proceeds of liquidation of Royalties LP are described in this description of Royalties LP.

The Royalties Limited Partnership Agreement provides that, subject to the terms, conditions and restrictions contained therein, Royalties LP may issue an unlimited number of Royalties LP Securities to any person. The managing general partner (currently Royalties GP) is entitled to determine the amount of capital required to be contributed in respect of each unit, the time or times at which the contribution is to be paid to Royalties LP and to amend the certificate of limited partnership to reflect such units. The amount of capital to be contributed in respect of any Royalties LP Security may be paid in cash, or in property, as determined by the managing general partner.

Limited partners are liable for the liabilities, debts and obligations of Royalties LP, but only to the extent of the amount contributed by them or agreed to be contributed by them to Royalties LP, provided that they take no part in the management of Royalties LP. Subject to applicable law, limited partners do not otherwise have any liability in respect of the liabilities, debts and obligations of Royalties LP. The maximum amount to be contributed to Royalties LP in respect of an LP Unit or a Class A Unit, Class B Unit or Class C Unit is the amount agreed to by Royalties LP as the value of the property contributed to Royalties LP in respect of such unit. Each holder of Royalties GP Units, as a general partner, will have unlimited liability for obligations of Royalties LP.

Distributions

Royalties GP, as managing general partner, is obligated, on behalf of Royalties LP, to distribute cash as set out below. Distributions of available cash in respect of each month will be made no later than the third business day immediately prior to the end of the month following the month in which the applicable distribution period ends to Royalties GP and to those partners listed on record on the 21st day of such following month (except distributions in respect of December, for which the record date will be the last day of December). Royalties GP may, on behalf of Royalties LP, distribute additional available cash at any other time.

Available cash at any time will represent, in general, all of Royalties LP's cash at such time, less amounts which in the opinion of Royalties GP are required to be provided for at such time in respect of:

- debt service obligations, if any, and payments on account of principal of the Credit Facilities or any other debt obligations of Royalties LP;
- interest (including interest accrued or payable under the Credit Facilities) and other expense obligations of Royalties LP;
- expenses of the Fund, the Trust, Royalties GP, Holdings LP and Holdings GP to be paid by Royalties LP under the Administration Agreement;
- expenses of Royalties LP; and
- reasonable reserves considered necessary or desirable by Royalties GP.

Royalties LP is obligated to make monthly distributions to its partners of available cash first to holders of LP Units; second to holders of Class C Units; third, to holders of Class D Units; fourth, to holders of Class A Units; fifth, to holders of Class B Units; and sixth, to holders of Royalties GP Units; in the amounts prescribed by the Royalties Limited Partnership Agreement. Any amounts remaining after those distributions will be distributed to holders of Class A Units, Class B Units, Class D Units and LP Units *pro rata* with the *pro rata* entitlements determined as prescribed by the Royalties Limited Partnership Agreement.

In addition, as soon as practicable after each Adjustment Date there will be distributed to the holders of the Class B Units, in priority to all other distributions, any positive amount that would have been distributed to holders of Class B Units in the previous year if the Class B Determined Amount for that period had been based on the actual Franchise Sales of the New Restaurants added to Royalty Pool on the previous Adjustment Date rather than on an estimate of those revenues and on the actual effective average tax rate

paid by the Fund rather than an estimate of that tax rate. In the event the holders of Class B Units should have received less distributions in the previous year than they received based on the estimated Class B Determined Amount, the holders of the Class B Units will pay to Royalties LP the difference between what they actually received and what they should have received.

Adjustments to Royalty Pool

The Royalties Limited Partnership Agreement and the License and Royalty Agreement provide for adjustments to the distribution and exchange entitlements of the Class B Units based upon Closed Restaurants and any New Restaurants, to reflect the additional Royalty payable by BPI to Royalties LP as a result of adding New Restaurants to, and removing Closed Restaurants from, the Royalty Pool on each Adjustment Date. See "Annual Adjustment to Royalty Pool" and "General Development of the Business – Adjustments to the Royalty Pool" for an example of adjustments of the Royalty Pool.

Allocation of Income and Losses

The income or loss, if any, of Royalties LP for accounting purposes for each Fiscal Year, and the income or loss, if any, of Royalties LP as determined pursuant to the Tax Act for a particular Fiscal Year, is allocated to the holders of Class A Units, Class B Units, Class C Units, Class D Units, Royalties GP Units and LP Units in proportion to the available cash of Royalties LP distributed or loaned to such holders in respect of such Fiscal Year. The amount of income allocated to a partner may exceed or be less than the amount of cash distributed by Royalties LP to that partner. In any Fiscal Year in which no cash is distributed to the partners in respect of their units, income or loss is allocated to partners in proportion to the number of Royalties LP Securities held by each partner.

Liquidation Entitlement

In the event of a dissolution of Royalties LP, Royalties GP (as managing general partner of Royalties LP) will distribute the net proceeds from the liquidation of Royalties LP (after payment of expenses and provision for indebtedness and adequate reserves) first, to holders of Class C Units; second, to holders of Class D Units; third, to the holders of Class A Units; fourth, to the holders of Class B Units; fifth, to the holders of Royalties GP Units; and sixth, to each partner that made additional contributions; in amounts prescribed in the Royalties Limited Partnership Agreement. Any amounts remaining after those distributions will be distributed to the holders of Class A Units, Class B Units, Class D Units and LP Units *pro rata*, with the *pro rata* entitlements determined as prescribed by the Royalties Limited Partnership Agreement.

Voting

Except as expressly provided for in the Royalties Limited Partnership Agreement, units in Royalties LP do not carry any entitlement to vote.

Functions and Powers of Royalties GP and BPI

Royalties GP (as managing general partner of Royalties LP) has the authority to manage the business and affairs of Royalties LP, to make decisions regarding the business of Royalties LP and to bind Royalties LP in respect of any such decision. Royalties GP is required to exercise its powers and discharge its duties honestly, in good faith and in the best interests of Royalties LP and to exercise the care, diligence and skill of a reasonably prudent person in comparable circumstances.

The authority and power to be vested in Royalties GP to manage the business and affairs of Royalties LP includes all authority necessary or incidental to carry out the objects, purposes and business of Royalties LP, including the ability to engage agents to assist Royalties GP to carry out its management obligations and administrative functions in respect of Royalties LP and its business. BPI, as a general partner of Royalties LP, is actively engaged in the business of Royalties LP, is responsible for assisting, and has authority to assist, Royalties GP in the management of the business and affairs of Royalties LP and performs such additional specific duties in connection with the business of Royalties LP as are

delegated to BPI by Royalties GP from time to time and pursuant to the Royalties Limited Partnership Agreement. BPI provides ongoing and regular consultation and management services to Royalties LP as to the operation and management of the business of Royalties LP, in addition to the assistance provided to Royalties GP.

In particular, BPI is responsible for:

- the performance of the duties of Royalties LP pursuant to the Administration Agreement;
- the provision of accounting, book-keeping and administrative services; and
- subject to the approval of Royalties GP, allocating distributions of cash and allocations of taxable and accounting income to the partners.

The Royalties Limited Partnership Agreement provides that all material transactions and agreements involving Royalties LP (other than the agreements entered into in connection with the formation of Royalties LP) must be approved by Royalties GP's board of directors and, where those agreements involve BPI or its affiliates or associates, they must be approved by a majority of the directors who are not nominees of BPI or of an affiliate or an associate of BPI, and where those agreements involve the creation of debt obligations for which BPI is liable, they must be approved by BPI. Royalties GP and BPI are both entitled, under the Royalties Limited Partnership Agreement, to reimbursement of out-of-pocket costs associated with activities undertaken on behalf of Royalties LP.

Limited Liability

Royalties LP is obligated to operate in a manner so as to ensure, to the greatest extent possible, the limited liability of the limited partners. Limited partners may lose their limited liability in certain circumstances. If limited liability is lost, other than by reason of an act or omission of the relevant limited partner, Royalties GP is obligated to indemnify the limited partner against all claims suffered or incurred by such limited partner because the liability of such limited partner is not limited as intended by the Royalties Limited Partnership Agreement.

However, since Royalties GP has no significant assets or financial resources, the indemnity from Royalties GP may have nominal value.

Transfer of Royalties LP Securities

Except as provided in the Governance Agreement and the Exchange Agreement, Royalties LP Securities are not transferable or assignable to any person. No assignee of Royalties LP Securities will be entitled to be admitted to Royalties LP as a partner pursuant to an assignment thereof, except with the written consent of Royalties GP and BPI (which consent Royalties GP and BPI will each be entitled to withhold in their sole discretion) on the terms and conditions of such consent and unless the assignee has delivered to Royalties GP an assignment, power of attorney and such other instruments and documents as may be required by Royalties GP in appropriate form completed and executed in a manner acceptable to Royalties GP and upon the payment of an administration fee, if any, required by Royalties GP. A transferee of a Royalties LP Security will not become a partner or be admitted to Royalties LP and will not be subject to the obligations and entitled to the rights of the transferor under the Royalties Limited Partnership Agreement until the foregoing conditions are satisfied and such transferee is recorded on Royalties LP's register of partners.

BPI, as part of the security granted to the Bank, has pledged all of the Class B Units and Class 2 GP Units held by BPI, which are convertible into Units of the Fund.

See "Description of the Business – BPI Credit Facilities".

Governance Agreement

The Fund, the Trust, BP Canada LP, BPI, Royalties LP, Royalties GP, Holdings LP, Holdings GP and certain of the Related Parties have entered into the Governance Agreement, providing for, among other things, the governance of Royalties GP. See "Management – Governance Agreement".

DESCRIPTION OF BP CANADA LP

General

BP Canada LP is a limited partnership formed under the laws of British Columbia. The business of BP Canada LP is being the exclusive franchisor of Boston Pizza Restaurants. This involves collecting royalties from franchisees, collecting contributions from suppliers to franchisees, and making distributions of available cash to its partners, Holdings LP and BPI. BP Canada LP is governed by the BP Canada Limited Partnership Agreement.

Partners

The partners of BP Canada LP are BPI, as the general partner, holding 100% of the Class 2 GP Units (indirectly through BPCHP), Class 3 GP Units, Class 4 GP Units, Class 5 GP Units and Class 6 GP Units; and Holdings LP, as the sole limited partner, holding 100% of the Class 1 LP Units and Class 2 LP Units.

BP Canada LP Securities

The interests of BP Canada LP are divided into: (i) an unlimited number of Class 1 LP Units, Class 2 LP Units, Class 3 LP Units, Class 4 LP Units and Class 5 LP Units, which may be held by limited partners of BP Canada LP; and (ii) an unlimited number of Class 2 GP Units, Class 3 GP Units, Class 4 GP Units, Class 5 GP Units and Class 6 GP Units, which may be held by general partners of BP Canada LP.

As of February 13, 2024, there are: (i) 1,000 Class 1 LP Units and 5,455,762 Class 2 LP Units issued and outstanding, all of which are held by Holdings LP; and (ii) 59,184,161 Class 2 GP Units, 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 issued and outstanding, all of which are held by BPI. Class 3 LP Units, Class 4 LP Units and Class 5 LP Units will only be issued in the event that BPI exchanges Class 3 GP Units, Class 4 GP Units and Class 5 GP Units, respectively, for Units (or a combination of cash and Units). The rights and entitlements of these units in BP Canada LP with respect to voting, distributions of distributable cash, allocations of income and distributions of proceeds of liquidation of BP Canada LP are described in this description of BP Canada LP.

The BP Canada Limited Partnership Agreement provides that except for: (i) the 1,000 Class 1 LP Units and 5,455,762 Class 2 LP Units held by Holdings LP; (ii) the 59,184,161 Class 2 GP Units, 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 held by BPI; and (iii) the Class 3 LP Units, Class 4 LP Units and Class 5 LP Units that may be issued pursuant to the BP Canada Exchange Agreement; no units of BP Canada LP may be issued without the consent of all partners of BP Canada LP.

Limited partners are liable for the liabilities, debts and obligations of BP Canada LP, but only to the extent of the amount contributed by them or agreed to be contributed by them to BP Canada LP, provided that they take no part in the management of BP Canada LP. Subject to applicable law, limited partners do not otherwise have any liability in respect of the liabilities, debts and obligations of BP Canada LP. The maximum amount to be contributed to BP Canada LP in respect of a Class 1 LP Unit or a Class 2 LP Unit is the amount agreed to by BP Canada LP as the value of the property contributed to BP Canada LP in respect of such unit. Each holder of Class 2 GP Units, Class 3 GP Units, Class 4 GP Units, Class 5 GP Units or Class 6 GP Units, as a general partner, will have unlimited liability for obligations of BP Canada LP.

Available Cash / Distributions

BPI, as general partner, is obligated, on behalf of BP Canada LP, to distribute cash as set out below. Distributions of available cash in respect of each month will be made no later than the third business day immediately prior to the end of the month following the month in which the applicable distribution period ends to those partners listed on record on the 21st day of such following month (except distributions in respect of December, for which the record date will be the last day of December).

Available cash at any time will represent, in general, all of BP Canada LP's cash at such time, less amounts which in the opinion of BPI are required to be provided for at such time in respect of:

- payment of any principal or interest on debt obligations, if any, of BP Canada LP;
- expenses of BP Canada LP; and
- reasonable reserves considered necessary or desirable by BPI.

BP Canada LP is obligated to make monthly distributions to its partners of available cash in the following order and priority:

1. *Class 1 Distribution*. The Class 1 LP Units are entitled to a first priority distribution (the "**Class 1 Distribution**") equal to the aggregate of interest payments on Eligible Debt in such month plus 0.05% of such interest amount, up to a maximum of:

   (a) if no exchange rights have been exercised in respect of Class 3 GP Units, Class 4 GP Units or Class 5 GP Units, 1.5% of Franchise Sales for such month;

   (b) if exchange rights have been exercised in respect of Class 3 GP Units only, 2.0% of Franchise Sales for such month;

   (c) if exchange rights have been exercised for Class 3 GP Units and Class 4 GP Units only, 2.5% of Franchise Sales for such month; and

   (d) if exchange rights have been exercised for Class 3 GP Units, Class 4 GP Units and Class 5 GP Units, 3.0% of Franchise Sales for such month.

2. *Class 2 Distribution*. Following payment of the Class 1 Distribution, the Class 2 LP Units and Class 2 GP Units are entitled to receive a distribution of available cash (the "**Class 2 Distribution**") equal to the greater of nil and 1.5% of Franchise Sales for such month less the Class 1 Distribution for such month. The Class 2 Distribution is paid to Holdings LP and BPI *pro rata* based on the number of Class 2 LP Units held by Holdings LP and the Class 2 Distribution Limit at the time.

3. *Class 3 Distribution*. Following payment of the Class 2 Distribution, the Class 3 LP Units (if any) and Class 3 GP Units are entitled to receive a distribution of available cash (the "**Class 3 Distribution**") equal to the greater of nil and 2.0% of Franchise Sales for such month less the sum of the Class 1 Distribution and Class 2 Distribution for such month. The Class 3 Distribution is paid to Holdings LP and BPI *pro rata* based on the number of Class 3 LP Units held by Holdings LP and the Class 3 Distribution Limit at the time (or 100% to BPI if no Class 3 LP Units have been issued).

4. *Class 4 Distribution*. Following payment of the Class 3 Distribution, the Class 4 LP Units (if any) and Class 4 GP Units are entitled to receive a distribution of available cash (the "**Class 4 Distribution**") equal to the greater of nil and 2.5% of Franchise Sales for such month less the sum of the Class 1 Distribution, Class 2 Distribution and Class 3 Distribution for such month. The Class 4 Distribution is paid to Holdings LP and BPI *pro rata* based on the number of Class 4 LP Units held by Holdings LP and the Class 4 Distribution Limit at the time (or 100% to BPI if no Class 4 LP Units have been issued).

5. *Class 5 Distribution*. Following payment of the Class 4 Distribution, the Class 5 LP Units (if any) and Class 5 GP Units are entitled to receive a distribution of available cash (the "**Class 5 Distribution**") equal to the greater of nil and 3.0% of Franchise Sales for such month less the sum of the Class 1 Distribution, Class 2 Distribution, Class 3 Distribution and Class 4 Distribution for such month. The Class 5 Distribution is paid to Holdings LP and BPI *pro rata* based on the number of Class 5 LP Units held by Holdings LP and the Class 5 Distribution Limit at the time (or 100% to BPI if no Class 5 LP Units have been issued).

6. *Class 6 Distribution*. Following payment of the Class 5 Distribution, all remaining available cash will be distributed to BPI as a distribution on the Class 6 GP Units.

In addition, as soon as practicable after each Adjustment Date, the next distribution on the Class 2 GP Units and Class 2 LP Units (and in the case that Class 3 LP Units, Class 4 LP Units or Class 5 LP Units have been issued, then the next distribution on the Class 3 GP Units and Class 3 LP Units, Class 4 GP Units and Class 4 LP Units, or Class 5 GP Units and Class 5 LP Units, as applicable, as well) will be increased or decreased, as the case may be, to reconcile the amounts distributed in respect of the prior Fiscal Year that were based on an estimated Class 2 Determined Amount versus the actual Class 2 Determined Amount (or in the case of Class 3 GP Units and Class 3 LP Units, Class 4 GP Units and Class 4 LP Units, or Class 5 GP Units and Class 5 LP Units, if applicable, the estimated Class 3 Determined Amount, Class 4 Determined Amount, or Class 5 Determined Amount, as applicable, versus the actual Class 3 Determined Amount, Class 4 Determined Amount, or Class 5 Determined Amount). See "Annual Adjustment to Royalty Pool".

Adjustments to Royalty Pool

The BP Canada Limited Partnership Agreement provides for adjustments to the distribution and exchange entitlements of the BP Canada GP Units based upon Closed Restaurants and any New Restaurants, to reflect the additional Distribution Income payable by BP Canada LP to Holdings LP as a result of adding New Restaurants to, and removing Closed Restaurants from, the Royalty Pool on each Adjustment Date. See "Annual Adjustment to Royalty Pool" and "General Development of the Business – Adjustments to the Royalty Pool" for an example of adjustments of the Royalty Pool.

Allocation of Income and Losses

The income or loss, if any, of BP Canada LP for accounting purposes for each Fiscal Year, and the income or loss, if any, of BP Canada LP as determined pursuant to the Tax Act for a particular Fiscal Year, is allocated to the holders of BP Canada LP Securities in a similar manner as distributions of cash from BP Canada LP as described above, except that the benefit of any deduction relating to any depreciation of the franchise agreements or the supplier contracts comprising part of the Transferred Assets resulting from these transactions will be allocated to the benefit of the Class 1 LP Units and Class 2 LP Units. This allocation is intended to recognize that the Fund funded the acquisition of the Transferred Assets. The amount of income allocated to a partner may exceed or be less than the amount of cash distributed by BP Canada LP to that partner.

Voting

Except as expressly provided for in the BP Canada Limited Partnership Agreement, units in BP Canada LP do not carry any entitlement to vote.

Functions of BPI

BPI is the general partner of BP Canada LP and has the authority and obligation to manage the business and affairs of BP Canada LP, to make decisions regarding the business of BP Canada LP and to bind BP Canada LP in respect of any such decision. BPI is required to exercise its powers and discharge its duties honestly, in good faith and in the best interests of BP Canada LP and to exercise the care, diligence and skill of a reasonably prudent person in comparable circumstances. The authority and power to be

vested in BPI to manage the business and affairs of BP Canada LP includes all authority necessary or incidental to carry out the objects, purposes and business of BP Canada LP.

Restrictions on Authority of BPI

The authority of BPI, as general partner, is limited in certain respects under the BP Canada Limited Partnership Agreement. BPI is prohibited, without the consent of Holdings LP, from dissolving BP Canada LP or selling, exchanging or otherwise disposing of all or substantially all of the assets of BP Canada LP.

No Compensation of General Partner

BPI is not entitled to any fee for the performance of its duties as general partner of BP Canada LP, and will only receive funds from BP Canada LP as distributions on its BP Canada GP Units or as reimbursement for out-of-pocket costs incurred in the performance of its duties as general partner of BP Canada LP.

License to Use BP System

BPI granted BP Canada LP, for a term expiring upon the earlier of the termination or expiry of the License and Royalty Agreement and the dissolution of BP Canada LP, an exclusive, royalty-free license to use the franchised system of restaurants featuring pizza, pasta, ribs and other food specialities, beverages and form of entertainment, which operate using the BP Rights, including all related intellectual property owned by BPI, in connection with being the exclusive franchisor of Boston Pizza Restaurants.

Limited Liability

BPI is obligated to operate BP Canada LP in a manner so as to ensure, to the greatest extent possible, the limited liability of the limited partners. Limited partners may lose their limited liability in certain circumstances. If limited liability is lost, other than by reason of an act or omission of the relevant limited partner, BPI is obligated to indemnify the limited partner against all claims suffered or incurred by such limited partner because the liability of such limited partner is not limited as intended by the BP Canada Limited Partnership Agreement.

Retirement or Removal of General Partner

BPI may only retire or be removed as general partner of BP Canada LP if such retirement or removal is approved by a resolution of the board of directors of BPI appointing a successor general partner and such resolution is consented to by Holdings LP.

Transfer of BP Canada LP Securities

Except as expressly permitted or required under the Governance Agreement or the BP Canada Exchange Agreement, no securities of BP Canada LP will be permitted to be transferred or assigned except with the written consent of each partner. No assignment will be effective until the assignee has delivered to the general partner an assignment in the prescribed form, the certificate representing the transferred units and such other instruments and documents as the general partner may request and such assignment is recorded on the Register. Except with the prior written consent of the general partner (which consent the general partner will be entitled to withhold in its sole discretion), the assignment of such securities will not release the assignor thereof from any obligations under the BP Canada Limited Partnership Agreement.

Dissolution and Wind-Up

In the event that BP Canada LP is to be wound up, BPI will be appointed as the receiver of BP Canada LP and will liquidate all of BP Canada LP's assets. Following liquidation, all of BP Canada LP's cash assets will be distributed to the partners of BP Canada LP in the following order:

1. to pay any outstanding expenses or debts of BP Canada LP;

2. to provide for necessary reserves;

3. to any partner that has contributed additional capital after June 30, 2015 (other than capital contributed by Holdings LP from the proceeds of Eligible Debt in respect thereof), an amount equal to the additional capital less any prior returns of capital paid to such partner;

4. to the holders of Class 1 LP Units, an amount equal to the greater of any amounts outstanding on the Eligible Debt and $10;

5. to the holders of Class 2 LP Units and Class 2 GP Units, an amount equal to the greater of nil and the net present value of 1.5% of Franchise Sales less the amount paid to holders of Class 1 LP Units, paid proportionately based on their respective distribution entitlements at such time;

6. to the holders of Class 3 LP Units and Class 3 GP Units, an amount equal to the greater of nil and the net present value of 2.0% of Franchise Sales less amounts paid to holders of Class 1 LP Units, Class 2 LP Units and Class 2 GP Units, paid proportionately based on their respective distribution entitlements at such time;

7. to the holders of Class 4 LP Units and Class 4 GP Units, an amount equal to the greater of nil and net present value of 2.5% of Franchise Sales less amounts paid to holders of Class 1 LP Units, Class 2 LP Units and Class 2 GP Units, Class 3 LP Units and Class 3 GP Units, paid proportionately based on their respective distribution entitlements at such time;

8. to the holders of Class 5 LP Units and Class 5 GP Units, an amount equal to the greater of nil and net present value of 3.0% of Franchise Sales less amounts paid to holders of Class 1 LP Units, Class 2 LP Units and Class 2 GP Units, Class 3 LP Units, Class 3 GP Units, Class 4 LP Units and Class 4 GP Units, paid proportionately based on their respective distribution entitlements at such time; and

9. the residue, if any, to the holders of Class 6 GP Units.

Alternatively, prior to the liquidation of all of BP Canada LP's assets, BPI may, with the consent of Holdings LP, purchase all BP Canada LP Units held by Holdings LP for an amount equal to the amount that Holdings LP would otherwise be entitled to upon the liquidation of BP Canada LP.

The net present value of Franchise Sales will be calculated by a valuator selected by BP Canada LP. Holdings LP will have a set period of time to review and dispute the calculation of net present value by the valuator selected by BP Canada LP. In the event that Holdings LP disputes the calculation of net present value of Franchise Sales, Holdings LP will have the right to appoint its own valuator. In such a case, the mean of the two calculations of net present value of Franchise Sales will be the net present value of Franchise Sales.

Amendments to the BP Canada Limited Partnership Agreement

The BP Canada Limited Partnership Agreement provides that it may only be amended with the approval of the partners of BP Canada LP given by a resolution of all of the partners of BP Canada LP, except that the BP Canada Limited Partnership Agreement may be amended by the general partner without consent of the limited partners to reflect a change in name of BP Canada LP, a change that is reasonable and necessary to continue the qualification of BP Canada LP as a limited partnership, a change that is reasonably, necessary or appropriate to allow BP Canada LP to take advantage of or avoid detrimental effects of changes in the Tax Act, or other changes of a housekeeping nature, provided that the general partner provides notice of the change to the limited partners within 30 days of such change.

DESCRIPTION OF THE FUND

Declaration of Trust

The Fund is a limited purpose open-ended trust established under the laws of the Province of British Columbia pursuant to the Declaration of Trust. The Fund is a mutual fund trust for the purposes of the Tax Act and intends to continue to qualify as such. The following is a summary of the material attributes and characteristics of the Units and Special Voting Units and certain provisions of the Declaration of Trust which does not purport to be complete. Reference should be made to the Declaration of Trust for a complete description of the Units and Special Voting Units and the full text of its provisions.

Activities of the Fund

The Declaration of Trust provides that the Fund is restricted to:

(a) investing its securities, including those issued by the Trust, Royalties GP and Holdings GP;

(b) temporarily holding cash in interest-bearing accounts or short-term government debt or investment grade corporate debt for the purposes of paying the expenses of the Fund, paying amounts payable by the Fund in connection with the redemption of any Units and making distributions to Unitholders;

(c) issuing Units and Special Voting Units (i) for cash or in satisfaction of any non-cash distribution or in order to acquire securities, including those issued by the Trust, Holdings LP, Holdings GP or Royalties LP, (ii) upon the conversion or exchange of securities or debt obligations issued by the Fund, the Trust, Holdings LP, Holdings GP, Royalties LP or any other person, and (iii) in satisfaction of any indebtedness of or borrowing by the Fund;

(d) issuing debt securities or borrowing funds (including letters of credit, bank guarantees and bankers acceptances);

(e) guaranteeing the obligations of Royalties LP, the Trust, Holdings LP, or Holdings GP or any affiliate of the Fund and granting security interests in the assets of the Fund therefor;

(f) pledging securities issued by the Trust or Holdings GP as security for the debt securities or borrowed funds referred to in (d) or the guarantees referred to in (e);

(g) issuing rights and Units pursuant to any Unitholder rights plan adopted by the Fund;

(h) purchasing securities pursuant to any issuer bid made by the Fund;

(i) entering into and performing its obligations under certain agreements, including the Administration Agreement, the Governance Agreement and the Royalties Exchange Agreement; and

(j) undertaking such other activities, or taking such actions, including investing in securities as will be approved by the Trustees from time to time provided that the Fund will not undertake any activity, take any action or make any investment which would result in the Fund not being considered a “mutual fund trust” for purposes of the Tax Act.

The Fund does not hold securities of entities other than the Trust, Holdings GP and Royalties GP and the only loans it holds is Series 1 Trust Notes.

Units and Special Voting Units

The beneficial interests in the Fund are divided into interests in two classes as follows:

(a) a class described and designated as "Units", which are entitled to the rights and subject to the limitations, restrictions and conditions set out in the Declaration of Trust. An unlimited number of Units may be created and issued pursuant to the Declaration of Trust. Each Unit is transferable and represents an equal undivided beneficial interest in any distributions from the Fund, whether of net income, net realized capital gains or other amounts, and in the net assets of the Fund in the event of termination or winding-up of the Fund; and

(b) a class described and designated as "Special Voting Units", which may be issued by the Fund, from time to time, to holders of record of securities which are ultimately exchangeable, exercisable or convertible into Units and will be entitled to such number of votes at meetings of Voting Unitholders as is equal to the number of Units into which the related securities are exchangeable, exercisable or convertible but will not be entitled to any distributions from the Fund.

All Units have equal rights and privileges and are not subject to future calls or assessments. Except as set out under "Redemption Right" below, the Units have no conversion, retraction, redemption or pre-emptive rights. Issued and outstanding Units and Special Voting Units may be subdivided or consolidated from time to time by the Trustees without the approval of Voting Unitholders.

No certificates have been issued for fractional Units and fractional Units do not entitle the holders thereof to vote. The Units are not "deposits" within the meaning of the *Canada Deposit Insurance Corporation Act* (Canada) and are not insured under the provisions of such act or any other legislation. Furthermore, the Fund is not a trust company and, accordingly, is not registered under any trust and loan company legislation as it does not carry on or intend to carry on the business of a trust company.

The Special Voting Units entitle the holders thereof to vote at any meeting of Voting Unitholders but do not entitle the holder to receive any distributions from the Fund. As of February 13, 2024, BPI, as holder of Class B Units of Royalties LP and Class 2 GP Units of BP Canada LP, held Special Voting Units representing 3,262,177 votes, being that number of Units that BPI would be entitled to receive upon the exchange of its Class B Units and Class 2 GP Units for Units of the Fund. The Special Voting Units issued to BPI (indirectly through BPCHP), as the holder of Class B Units of Royalties LP and Class 2 GP Units of BP Canada LP, may be transferred only under the same circumstances as the associated Class B Units and Class 2 GP Units, and will be redeemed upon the exchange of Class B Units or Class 2 GP Units for Units of the Fund. Special Voting Units may be redeemed by the holder at any time for nominal consideration.

Issuance of Units

The Declaration of Trust provides that the Units or rights to acquire Units may be issued at the times, to the persons, for the consideration and on the terms and conditions that the Trustees determine. Units may be issued in satisfaction of any non-cash distribution of the Fund to Unitholders on a *pro rata* basis. The Declaration of Trust also provides that immediately after any *pro rata* distribution of Units to all Unitholders in satisfaction of any non-cash distribution, the number of outstanding Units will be consolidated such that each Unitholder will hold after the consolidation the same number of Units as the Unitholder held before the non-cash distribution. In this case, each certificate representing a number of Units prior to the non-cash distribution is deemed to represent the same number of Units after the non-cash distribution and the consolidation.

Trustees

The Declaration of Trust provides that the Fund will have a minimum of two Trustees and a maximum of 10 Trustees. The Trustees are to supervise the activities and manage the affairs of the Fund. See "Management – Trustees of the Fund" for a list of the current Trustees. Each of the current Trustees is also a director of Royalties GP.

Trustees are appointed at each annual meeting of Voting Unitholders to hold office for a term expiring at the close of the next annual meeting or until the earlier of the Trustee's death, resignation or removal.

Any one or more of the Trustees may resign upon 30 days' prior written notice to the Fund and may be removed by a resolution passed by a majority of the votes cast at a meeting of Voting Unitholders called for that purpose and the vacancy created by such removal or resignation may be filled at the same meeting, failing which it may be filled by the remaining Trustees.

A quorum of the Trustees, being a majority of the Trustees then holding office, may fill a vacancy in the Trustees, except a vacancy resulting from an increase in the maximum number of Trustees or from a failure of the Voting Unitholders to elect the required number of Trustees at a meeting of the Voting Unitholders called for such purpose. In the absence of a quorum of Trustees, or if the vacancy has arisen from a failure of the Voting Unitholders to elect the required number of Trustees at a meeting of the Voting Unitholders called for such purpose, the Trustees will forthwith call a special meeting of the Voting Unitholders to fill the vacancy. If the Trustees fail to call such meeting or if there are no Trustees then in office, any Voting Unitholder may call the meeting.

The Trustees may, between annual meetings of Voting Unitholders, appoint one or more additional Trustees to serve until the next annual meeting of Voting Unitholders, but the number of additional Trustees will not at any time exceed one-third of the number of Trustees who held office at the expiration of the immediately preceding annual meeting of Voting Unitholders.

The Declaration of Trust provides that, subject to the terms and conditions thereof, the Trustees may, in respect of the trust assets, exercise any and all rights, powers and privileges that could be exercised by a legal and beneficial owner thereof and will supervise the investments and conduct the affairs of the Fund.

The Declaration of Trust prohibits a Non-resident from acting as a Trustee. The Trustees are responsible for, among other things:

- acting for, voting on behalf of and representing the Fund as a unitholder and noteholder of the Trust and a shareholder of Royalties GP and Holdings GP, including voting for the election of the trustees of the Trust;
- maintaining records and providing reports to Voting Unitholders;
- supervising the activities of the Fund; and
- effecting payments of distributable cash from the Fund to Unitholders.

The Declaration of Trust provides that the Trustees will act honestly and in good faith with a view to the best interests of the Fund and in connection therewith will exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The duties and standard of care of the Trustees are intended to be similar to, and not to be any greater than, those imposed on a director of a corporation governed by the CBCA. The Declaration of Trust provides that the Trustees will be entitled to indemnification from the Fund in respect of the exercise of their powers and the discharge of their duties provided that they acted honestly and in good faith with a view to the best interests of the Unitholders.

Cash Distributions

Special Distributions

On December 16, 2020, the Trustees of the Fund declared a special cash distribution to Unitholders of $0.20 per Unit (the "**2020 Special Distribution**"). The 2020 Special Distribution was paid on January 29, 2021 to Unitholders of record at the close of business on December 31, 2020. On December 8, 2022, the Trustees of the Fund declared a special cash distribution to Unitholders of $0.085 per Unit (the "**2022 Special Distribution**"). The 2022 Special Distribution was paid on December 30, 2022 to Unitholders of record at the close of business on December 21, 2022. In deciding to declare the 2020 Special Distribution and 2022 Special Distribution, the Trustees considered, among other factors, the recent financial performance of the Fund, BPI and Boston Pizza Restaurants in the Royalty Pool, the Fund's cash position and debt repayment obligations, internal financial projections for the Fund, BPI and Boston Pizza Restaurants in the Royalty Pool, and the increase in the effective tax rate that would be paid by the Fund if the Fund did not distribute sufficient cash in respect of 2020 or 2022.

The declarations of the 2020 Special Distribution and 2022 Special Distribution were departures from the Fund's historical distribution practices and are not expected to become a regular practice in future years. However, the Trustees believe that declaring the 2020 Special Distribution and 2022 Special Distribution were prudent approaches to deal with the challenges presented by COVID-19. The Trustees will continue to closely monitor the Fund's available cash balances and distribution levels, based on its policy of stable and sustainable distribution flow to Unitholders.

Monthly Distributions

The following is a summary of the amount of cash distributions per Unit for the financial years ended 2023, 2022 and 2021:

	CASH DISTRIBUTIONS					
	2023 January to December Distributions		2022 January to December Distributions		2021 January to December Distributions	
	Payment Date	**Amount**	**Payment Date**	**Amount**	**Payment Date**	**Amount**
January	February 28, 2023	10.2¢	February 28, 2022	8.5¢	February 26, 2021	6.5¢
February	March 31, 2023	10.2¢	March 31, 2022	8.5¢	March 31, 2021	6.5¢
March	April 28, 2023	10.7¢	April 29, 2022	8.5¢	April 30, 2021	6.5¢
April	May 31, 2023	10.7¢	May 31, 2022	8.5¢	May 31, 2021	6.5¢
May	June 30, 2023	10.7¢	June 30, 2022	8.5¢	June 30, 2021	6.5¢
June	July 31, 2023	10.7¢	July 29, 2022	8.5¢	July 30, 2021	6.5¢
July	August 31, 2023	10.7¢	August 31, 2022	10.0¢	August 31, 2021	6.5¢
August	September 29, 2023	10.7¢	September 29, 2022	10.0¢	September 30, 2021	6.5¢
September	October 31, 2023	10.7¢	October 31, 2022	10.0¢	October 29, 2021	8.5¢
October	November 30, 2023	10.7¢	November 30, 2022	10.0¢	November 30, 2021	8.5¢
November	December 29, 2023	10.7¢	December 30, 2022	10.2¢	December 31, 2021	8.5¢
December	January 31, 2024	10.7¢	January 31, 2023	10.2¢	January 31, 2022	8.5¢
Special Distribution	N/A	---	December 30, 2022	8.5¢	N/A	---

While the amount of cash to be distributed per month per Unit to Unitholders is determined by the Trustees in their sole discretion, the Fund's current distribution policy is that such amount will generally be equal to a *pro rata* share of interest and principal repayments on the Trust Notes and distributions on or in respect of the Trust Units owned by the Fund less:

- administrative expenses and other obligations of the Fund;
- amounts which may be paid by the Fund in connection with any cash redemptions of Units;
- any interest expense incurred by the Fund; and
- reasonable reserves established by the Trustees in their sole discretion, including, without limitation, reserves established to pay SIFT Tax.

The Fund intends to make distributions each month of amounts determined by the Trustees in their sole discretion to be available for distribution by the Fund for such month. Distributions in respect of each month are paid on the last day of the immediately following month to Unitholders of record on the 21st day of such following month (except in respect of the month of December, for which the record date is the last day of December).

To the extent that income of the Fund is applied to any cash redemptions of Units or is otherwise unavailable for cash distribution, distributions will be made to Unitholders in the form of additional Units.

Such additional Units will be issued pursuant to applicable exemptions under applicable securities laws, discretionary exemptions granted by applicable securities regulatory authorities or a prospectus or similar filing.

Holders of Units who are Non-residents will be required to pay all withholding taxes payable in respect of any distributions of income by the Fund, whether such distributions are in the form of cash or additional Units. Non-residents should consult their own tax advisors regarding the tax consequences of investing in Units.

Book-Entry Only System

Registration of interests in and transfer of Units will be made only through a book-based system (the "**Book-Entry Only System**") administered by CDS. Units must be purchased, transferred and surrendered for redemption through a CDS participant. All rights of Unitholders must be exercised through, and all payments or other property to which such Unitholder is entitled will be delivered by, CDS or the CDS participant through which the Unitholder holds such Units. Upon purchase of any Units, the Unitholder will receive only a customer confirmation from the registered dealer which is a CDS participant and from or through which the Units are purchased.

The ability of a beneficial owner of Units to pledge such Units or otherwise take action with respect to such Unitholder's interest in such Units (other than through a CDS participant) may be limited due to the lack of a physical certificate.

The Fund has the option to terminate registration of the Units through the Book-Entry Only System in which case certificates for the Units in fully registered form would be issued to beneficial owners of such Units or their nominees.

Rights of Unitholders

The rights of Unitholders as investors in the Fund are currently governed by the Declaration of Trust and have been summarized above under "Description of the Fund". Although the Declaration of Trust confers upon a Unitholder many of the same protections, rights and remedies that an investor would have as a shareholder of a corporation governed by the CBCA, significant differences do exist.

Many of the provisions of the CBCA respecting the governance and management of a corporation have been incorporated in the Declaration of Trust. For example, Unitholders are entitled to exercise voting rights in respect of their holdings of Units in a manner comparable to shareholders of a CBCA corporation and to elect Trustees and auditors. The Declaration of Trust also includes provisions modeled after comparable provisions of the CBCA dealing with the calling and holding of meetings of Unitholders and Trustees, the quorum for and procedures at such meetings and the right of investors to participate in the decision-making process where certain fundamental actions are proposed to be undertaken. The matters in respect of which Unitholder approval is required under the Declaration of Trust are generally less extensive than the rights conferred on the shareholders of a CBCA corporation, but effectively extend to certain fundamental actions that may be undertaken by the Fund's subsidiary entities, as described under "Description of the Fund – Meetings of Voting Unitholders" and "Description of the Fund – Exercise of Certain Voting Rights Attached to Certain Securities". These Unitholder approval rights are supplemented by provisions of applicable securities laws that are generally applicable to issuers (whether corporations, trusts or other entities) that are "reporting issuers" or the equivalent or are listed on the TSX.

The Declaration of Trust contains conflict of interest provisions, similar to those contained in the CBCA, that require each Trustee or other officer of the Fund to disclose to the Fund, as applicable, any interest in a material contract or transaction or proposed material contract or transaction with the Fund, or the fact that such person is a director or officer of, or otherwise has a material interest in, any person who is a party to a material contract or transaction or proposed material contract or transaction with the Fund. In any case, a Trustee who has made disclosure to the foregoing effect is not entitled to vote on any resolution to approve the contract or transaction unless the contract or transaction is one relating primarily to (i) his or her remuneration as a Trustee or officer of the Fund, as applicable, or (ii) insurance or indemnity.

Unitholders do not have recourse to a dissent right under which shareholders of a CBCA corporation are entitled to receive the fair value of their shares when certain fundamental changes affecting the corporation are undertaken (such as an amalgamation, a continuance under the laws of another jurisdiction, the sale of all or substantially all of its property, a going private transaction or the addition, change or removal of provisions restricting (i) the business or businesses that the corporation can carry on, or (ii) the issue, transfer or ownership of shares). As an alternative, Unitholders seeking to terminate their investment in the Fund are entitled to receive, subject to certain conditions and limitations, their *pro rata* share of the Fund's net assets through the exercise of the redemption rights provided by the Declaration of Trust, as described under "Description of the Fund – Redemption Right". Unitholders similarly do not have recourse to the statutory oppression remedy that is available to shareholders of a CBCA corporation where the corporation undertakes actions that are oppressive, unfairly prejudicial or that disregard the interests of security holders and certain other parties. Shareholders of a CBCA corporation may also apply to a court to order the liquidation and dissolution of the corporation in those circumstances, whereas Unitholders could rely only on the general provisions of the Declaration of Trust, which permit the winding-up of the Fund with the approval of a Voting Unitholders' Special Resolution. Shareholders of a CBCA corporation may also apply to a court for the appointment of an inspector to investigate the manner in which the business of the corporation and its affiliates is being carried on where there is reason to believe that fraudulent, dishonest or oppressive conduct has occurred. The Declaration of Trust allows Unitholders to pass resolutions appointing an inspector to investigate the Trustees' performance of their responsibilities and duties, but this process would not be subject to court oversight to assure the other investigative procedures, rights and remedies available under the CBCA. The CBCA also permits shareholders to bring or intervene in derivative actions in the name of the corporation or any of its subsidiaries, with the leave of a court. The Declaration of Trust does not include a comparable right of the Unitholders to commence or participate in legal proceedings with respect to the Fund.

Redemption Right

Units are redeemable at any time on demand by the holders thereof. As the Units have been issued in book entry form, a Unitholder who wishes to exercise the redemption right is required to obtain a redemption notice form from the Unitholder's investment dealer who is required to deliver the completed redemption notice form to CDS. Upon receipt of the redemption notice by the Fund, all rights to and under the Units tendered for redemption will be surrendered and the holder thereof will be entitled to receive a price per Unit (the "**Redemption Price**") equal to the lesser of:

- 90% of the weighted average price per Unit at which the Units have traded on the stock exchange on which the Units are listed (or if the Units are not listed on any stock exchange, the principal market on which the Units are quoted for trading) during the 20-trading day period immediately following the date on which the Units were surrendered for redemption (the "**Unit Redemption Date**"); and

- an amount equal to (a) the closing price of the Units on the principal stock exchange on which the Units are listed (or if the Units are not listed on any stock exchange, the principal market on which the Units are quoted for trading), if there was a trade on the Unit Redemption Date and the exchange or market provides a closing price; (b) the average of the highest and lowest prices of the Units if there was a trade on the Unit Redemption Date and the exchange or market provides only the highest and lowest prices of the Units traded on a particular day; or (c) the average of the last bid and ask prices of the Units on the exchange or market if there was no trading on the Unit Redemption Date.

The aggregate Redemption Price payable by the Fund in respect of any Units surrendered for redemption during any calendar month will be satisfied by way of a cash payment no later than the last day of the month following the month in which the Units were tendered for redemption, provided that Unitholders are not entitled to receive cash upon the redemption of their Units if:

- the total amount payable by the Fund in respect of such Units and all other Units tendered for redemption in the same calendar month exceeds $50,000, provided that the Trustees

may, in their sole discretion, waive such limitation in respect of all Units tendered for redemption in any calendar month;

- at the time such Units are tendered for redemption, the outstanding Units are not listed for trading on a stock exchange or traded or quoted on another market which the Trustees consider, in their sole discretion, provides representative fair market value prices for the Units; or

- the normal trading of Units is suspended or halted on any stock exchange on which the Units are listed (or, if not listed on a stock exchange, on any market on which the Units are quoted for trading) on the Unit Redemption Date or for more than five trading days during the 10-day trading period commencing immediately after the Unit Redemption Date.

If a Unitholder is not entitled to receive cash upon the redemption of Units as a result of the foregoing limitations, then the Redemption Price for each Unit tendered for redemption will be the fair market value thereof as determined by the Trustees in their sole discretion and, subject to any applicable regulatory approvals, will be paid and satisfied by way of a distribution in kind. Trust Units and Series 1 Trust Notes having a value equal to the Redemption Price will then be redeemed by the Trust in consideration of the issuance to the Fund of Series 2 Trust Notes and Series 3 Trust Notes, respectively. The Series 2 Trust Notes and Series 3 Trust Notes will then be distributed in satisfaction of the Redemption Price. No fractional Series 2 Trust Notes or Series 3 Trust Notes in integral multiples of less than $100 will be distributed and where the number of securities of the Trust to be received by a Unitholder includes a fraction or, in the case of Trust Notes, a multiple less than $100, that number will be rounded to the next lowest whole number or integral multiple of $100 as the case may be. The Fund will be entitled to all interest paid on the Trust Notes, if any, and distributions paid on the Trust Units on or before the date of the distribution in kind.

It is anticipated that the redemption right described above will not be the primary mechanism for holders of Units to dispose of their Units. Series 2 Trust Notes and Series 3 Trust Notes which may be distributed to Unitholders in connection with a redemption will not be listed on any stock exchange, no market is expected to develop in securities of the Trust and such securities may be subject to an indefinite “hold period” or other resale restrictions under applicable securities laws. Series 2 Trust Notes and Series 3 Trust Notes so distributed may not be qualified investments for registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered education savings plans, registered disability savings plans and tax free savings accounts and may be prohibited investments for registered retirement savings plans, registered retirement income funds and tax free savings accounts, depending upon the circumstances at the time.

Trust Units

Trust Units are not, and are not intended to be, issued or held by any person other than the Fund.

An unlimited number of Trust Units may be issued pursuant to the declaration of trust for the Trust. Each Trust Unit is transferable and represents an equal undivided beneficial interest in any distributions from the Trust (whether of net income, net realized capital gains or other amounts) and in the net assets of the Trust in the event of termination or winding-up of the Trust. All Trust Units have equal rights and privileges. The Trust Units are not subject to future calls or assessments. The Trust Units have no conversion, retraction or pre-emptive rights. The Trust Units are redeemable at the option of the holder.

The amount of cash to be distributed per Trust Unit in respect of each month will be equal to a proportionate share of distributions on or in respect of the securities of Holdings LP owned by the Trust and all other amounts, if any, from any other investments from time to time held by the Trust, received in respect of such period, less amounts which are paid, payable, incurred or provided for in respect of such period in connection with:

- administrative expenses and other obligations (including reasonable reserves) of the Trust;

- any interest (including interest payable in respect of the Trust Notes) incurred by the Trust;
- principal repayments in respect of the Trust Notes considered advisable by the trustees of the Trust and any other debt securities of the Trust; and
- reasonable reserves established by the trustee of the Trust for the payment of any costs which have been or may be incurred and to provide for any payments of income tax liability.

The trustee of the Trust may authorize additional distributions in excess of the aforementioned distributions during the year, as the trustee sees fit, in the trustee's sole discretion.

Any income of the Trust which is unavailable for cash distribution will, to the extent necessary to ensure that the Trust does not have any income tax liability under Part I of the Tax Act, be distributed to holders of Trust Units in the form of additional Trust Units.

Trust Notes

The following is a summary of the material attributes and characteristics of the Trust Notes, which are issued by the Trust under a note indenture (the "**Note Indenture**") providing for the issuance of the Trust Notes by the Trust dated July 17, 2002 between the Trust and Computershare Trust Company of Canada (the "**Note Trustee**"), and is qualified in its entirety by reference to the provisions of the Note Indenture, which contains a complete statement of such attributes and characteristics.

The Trust Notes will be issued only as fully registered Trust Notes in a minimum denomination of $100 and for amounts above such minimum, only in integral multiples of $100. No fractional Trust Notes will be distributed and where the number of Trust Notes to be received by a Unitholder includes a fraction, such number will be rounded down to the lowest whole number or integral multiple of $100.

Series 2 Trust Notes will be reserved by the Trust to be issued exclusively to holders of Trust Units as full or partial payment of the redemption price for Trust Units, as the trustees of the Trust may decide or, in certain circumstances, be obliged to issue. Series 3 Trust Notes will be reserved by the Trust to be issued exclusively as full or partial payment of the redemption price for Series 1 Trust Notes in the event of an in kind payment of the redemption price for Units redeemed by a Unitholder.

Interest and Maturity

The Series 1 Trust Notes will mature on July 17, 2032 and will not bear interest. Each Series 2 Trust Note will mature on a date which is no later than the first anniversary of the date of issuance thereof and bear interest at a market rate to be determined by the trustee(s) of the Trust at the time of issuance thereof, payable in monthly installments on the last day of each calendar month that such Series 2 Trust Note is outstanding. Each Series 3 Trust Note will mature on July 17, 2032 and will bear interest at a market rate to be determined by the trustee(s) of the Trust at the time of issuance thereof, payable in monthly installments on the last day of each calendar month that such Series 3 Trust Note is outstanding.

Payment upon Maturity

On maturity, the Trust will repay the Trust Notes by paying to the trustee under the Note Indenture in cash an amount equal to the principal amount of the outstanding Trust Notes which have then matured, together with accrued and unpaid interest thereon.

Redemption

The Trust Notes are redeemable at the option of the Trust prior to maturity. The Series 1 Trust Notes are redeemable at the option of the holder prior to maturity.

Subordination / Security

Payment of the principal amount and interest on the Trust Notes will be subordinated in right of payment to the prior payment in full of the principal of and accrued and unpaid interest on, and all other amounts owing in respect of all senior indebtedness which is defined as all indebtedness, liabilities and obligations of the Trust which, by the terms of the instrument creating or evidencing the same, will be expressed to rank in right of payment in priority to the indebtedness evidenced by the Note Indenture. The Note Indenture provides that upon any distribution of the assets of the Trust in the event of any dissolution, liquidation, reorganization or other similar proceedings relative to the Trust, the holders of all such senior indebtedness will be entitled to receive payment in full before the holders of the Trust Notes are entitled to receive any payment.

Default

The Note Indenture provides that any of the following will constitute an event of default under the Note Indenture:

- default in repayment of the principal amount of any of the Trust Notes when the same becomes due and the continuation of such default for a period of 10 business days;
- subject to the terms of any senior indebtedness, the failure to pay the interest obligations of any of the Series 2 Trust Notes or Series 3 Trust Notes, if and when issued, for a period of six months;
- default in the observance or performance of any other covenant or condition of the Note Indenture and the continuance of such default for a period of 60 days after notice in writing has been given by the Note Trustee to the Trust specifying such default and requiring the Trust to rectify the same;
- certain events of winding-up, liquidation, bankruptcy, insolvency or receivership of the Trust or Royalties LP;
- the taking of possession by an encumbrancer, in the opinion of the Note Trustee, of all or substantially all of the property of the Trust or of a material subsidiary, including Royalties LP and the affected party failing to satisfy the claim or terminate such encumbrance within 60 days;
- the Trust ceasing to own any Royalties LP Securities or Royalties LP ceasing to own the BP Rights; or
- Royalties LP or any material subsidiary ceasing to carry on its business in the ordinary course or a substantial part thereof.

Meetings of Voting Unitholders

Each Unit entitles the holder thereof to one vote at all meetings of Voting Unitholders. Special Voting Units entitle the holder thereof to one vote for each Unit that the holder would be entitled to receive if it exchanged all of its exchangeable securities of Royalties LP and BP Canada LP for Units of the Fund at all meetings of Voting Unitholders. Meetings of Voting Unitholders will be called and held annually for the appointment of Trustees and the appointment of auditors of the Fund. The Declaration of Trust provides that the Voting Unitholders will be entitled to pass resolutions that will bind the Fund only with respect to:

- the election or removal of Trustees;
- the appointment or removal of the auditors of the Fund;

- the appointment of an inspector to investigate the performance by the Trustees in respect of their respective responsibilities and duties in respect of the Fund;
- the approval of amendments to the Declaration of Trust (except as described under "Description of the Fund – Amendments to the Declaration of Trust");
- the termination of the Fund;
- the sale of all or substantially all of the assets of the Fund;
- the exercise of certain voting rights attached to Royalties LP Securities, common shares of Holdings GP and Royalties GP, Trust Notes and Trust Units held directly or indirectly by the Fund; and
- the dissolution of the Fund prior to the end of its term.

A resolution appointing or removing the Trustees and a resolution appointing or removing the auditors of the Fund must be passed by a simple majority of the votes cast by the Voting Unitholders either in person or by proxy, at a meeting of Voting Unitholders. All other matters must be approved by a resolution passed by a majority of more than 66 $^{2}/_{3}$% of the votes cast, either in person or by proxy, at a meeting of Voting Unitholders, or approved in writing by holders of more than 66 $^{2}/_{3}$% of the total Voting Units.

A meeting of Voting Unitholders may be convened at any time and for any purpose by the Trustees and must be convened if requisitioned by the holders of not less than 10% of the Voting Units then outstanding by a written requisition. A requisition must state in reasonable detail the business proposed to be transacted at the meeting.

Voting Unitholders may attend and vote at all meetings of the Voting Unitholders either in person or by proxy and a proxy holder need not be a Voting Unitholder. Two or more persons present in person or represented by proxy and representing in the aggregate at least 25% of the votes attached to the total of the then outstanding Voting Units will constitute a quorum for the transaction of business at all such meetings. The Declaration of Trust contains provisions as to the notice required and other procedures with respect to the calling and holding of meetings of Voting Unitholders.

Limitation on Non-resident Ownership

In order for the Fund to maintain its status as a mutual fund trust under the Tax Act, the Fund must not be reasonably considered to have been established or to be maintained primarily for the benefit of Non-residents. Accordingly, the Declaration of Trust provides that at no time may Non-residents be the beneficial owners of a majority of the Units. The Trustees may require declarations as to the jurisdictions in which beneficial owners of Units are resident.

If the Trustees become aware that the beneficial owners of 49% of the Units then outstanding are, or may be, Non-residents or that such a situation is imminent, the Trustees may direct the transfer agent and registrar to make a public announcement thereof and will not accept a subscription for Units from or issue or register a transfer of Units to any person unless the person provides a declaration that he or she is not a Non-resident. If, notwithstanding the foregoing, the Trustees determine that a majority of the Units are held by Non-residents, the Trustees may direct the transfer agent of the Units to send a notice to Non-resident holders of Units, chosen in inverse order to the order of acquisition or registration or in such manner as the Trustees may consider equitable and practicable, requiring them to sell their Units or a portion thereof within a specified period of not less than 60 days. If the Unitholders receiving such notice have not sold the specified number of Units or provided the Trustees with satisfactory evidence that they are not Non-residents within such period, the Trustees may direct the transfer agent to sell such Units on behalf of such Unitholders and, in the interim, the voting and distribution rights attached to such Units will be suspended. Upon such sale, the affected holders will cease to be holders of the Units and their rights will be limited to receiving the net proceeds of such sale.

Special Voting Units may not be owned by a Non-resident. In the event that a holder of Special Voting Units becomes a Non-resident, such a holder will be deemed to have exercised his or her right of redemption in accordance with the Declaration of Trust and such Special Voting Units will be immediately redeemed for nominal consideration.

Amendments to the Declaration of Trust

The Declaration of Trust may be amended or altered from time to time by a Voting Unitholders' Special Resolution.

The Trustees may, without the approval of the Voting Unitholders, make certain amendments to the Declaration of Trust, including amendments:

- for the purpose of ensuring continuing compliance with applicable laws, regulations, requirements or policies of any governmental authority having jurisdiction over the Trustees or over the Fund;
- which, in the opinion of counsel to the Trustees, provide additional protection for Voting Unitholders;
- to remove any conflicts or inconsistencies in the Declaration of Trust or to make minor corrections which, in the opinion of the Trustees, are necessary or desirable and not prejudicial to the Voting Unitholders;
- which, in the opinion of the Trustees, are necessary or desirable as a result of changes in Canadian taxation laws or accounting standards; and
- for the purpose of ensuring that the Fund continues to qualify as a "mutual fund trust" under the Tax Act and Units are not considered "foreign property" under the Tax Act.

Term of the Fund

The Fund has been established for a term ending 21 years after the date of death of the last surviving issue of Her Majesty, Queen Elizabeth II, alive on June 10, 2002. On a date selected by the Trustees which is not more than two years prior to the expiry of the term of the Fund, the Trustees are obligated to commence to wind-up the affairs of the Fund so that it will terminate on the expiration of the term. In addition, at any time prior to the expiry of the term of the Fund, the Voting Unitholders may by a Voting Unitholders' Special Resolution require the Trustees to commence to wind-up the affairs of the Fund.

The Declaration of Trust provides that, upon being required to commence to wind-up the affairs of the Fund, the Trustees will give notice thereof to the Voting Unitholders, which notice will designate the time or times at which Voting Unitholders may surrender their Voting Units for cancellation and the date at which the register of Voting Units will be closed. After the date the register is closed, the Trustees will proceed to wind-up the affairs of the Fund as soon as may be reasonably practicable and for such purpose will, subject to any direction to the contrary in respect of a termination authorized by a resolution of the Voting Unitholders, sell and convert into money the Trust Units, Series 1 Trust Notes and all other assets comprising the Fund in one transaction or in a series of transactions at public or private sales and do all other acts appropriate to liquidate the Fund. After paying, retiring, discharging or making provision for the payment, retirement or discharge of all known liabilities and obligations of the Fund and providing for indemnity against any other outstanding liabilities and obligations, the Trustees will distribute the remaining part of the proceeds of the sale of the Trust Units, Series 1 Trust Notes and other assets together with any cash forming part of the assets of the Fund among the Unitholders in accordance with their *pro rata* interests. If the Trustees are unable to sell all or any of the Trust Units, Series 1 Trust Notes or other assets which comprise part of the Fund by the date set for termination, the Trustees may distribute the remaining Trust Units, Series 1 Trust Notes or other assets in kind directly to the Unitholders in accordance with their *pro rata* interests subject to obtaining all required regulatory approvals.

Take-over Bids

The Declaration of Trust and the Governance Agreement contain provisions to the effect that if a take-over bid is made for the Units (including rights to the Units to be issued upon exercise of the Exchange Rights) and not less than 90% of the Units on a fully diluted basis (including the Units issuable upon the exchange of any securities exchangeable into Units but not including any Units held at the date of the take-over bid by or on behalf of the offeror or associates or affiliates of the offeror) are taken up and paid for by the offeror, the offeror will be entitled to acquire the Units held by Unitholders and holders of securities exchangeable for Units who did not accept the take-over bid on the terms offered by the offeror.

Exercise of Certain Voting Rights Attached to Certain Securities

The Declaration of Trust provides that the Fund will not vote the securities held by it in the Trust, Holdings LP, Holdings GP, Royalties GP or Royalties LP to authorize, among other things:

- any sale, lease or other disposition of all or substantially all of the direct or indirect assets of the Trust, Royalties GP or Holdings GP except in conjunction with an internal reorganization;
- any amalgamation, arrangement or other merger of the Trust, Holdings GP or Royalties GP with any other corporation except in conjunction with an internal reorganization;
- any material amendment to the note indenture in respect of the Trust Notes other than in contemplation of a further issue of Trust Notes; and
- any material amendment to the declaration of trust for the Trust, the Holdings Limited Partnership Agreement or the Royalties Limited Partnership Agreement which may be prejudicial to the Fund,

without the authorization of the Voting Unitholders by a Voting Unitholders' Special Resolution.

Information and Reports

The Fund will furnish, in accordance with and subject to applicable securities laws, to Voting Unitholders such consolidated financial statements of the Fund (including quarterly and annual financial statements) and other reports as are from time to time required by applicable law, including prescribed forms needed for the completion of Unitholders' tax returns under the Tax Act and equivalent provincial legislation.

Prior to each meeting of Voting Unitholders, the Trustees will provide the Voting Unitholders (along with notice of such meeting) all such information as is required by applicable law and the Declaration of Trust to be provided to such holders.

Royalties LP has undertaken to provide the Fund with:

- a report of any material change that occurs in the affairs of Royalties LP in form and content that it would file with the applicable securities regulatory authorities as if it were a reporting issuer; and
- all financial statements that it would be required to file with the applicable securities regulatory authorities as if it were a reporting issuer under applicable securities laws.

All such reports and statements must be provided to the Fund in a timely manner so as to permit the Fund to comply with the continuous disclosure requirements relating to reports of material changes in its affairs and the delivery of financial statements as required under applicable securities laws.

BPI is required to provide Royalties LP and the Fund with BPI's unaudited financial statements within 45 days of the end of each quarterly accounting period of BPI and audited annual consolidated financial statements within 90 days of the end of each Fiscal Year of BPI. These financial statements are required to be prepared in accordance with IFRS. BPI also provided an undertaking to the applicable securities regulatory authorities to issue a press release and file a report of any material change that occurs in the affairs of BPI that would reasonably be expected to have a significant effect on the market price or value of the Units.

CREDIT FACILITIES

Holdings LP and Royalties LP have the Credit Facilities with the Bank in the amount of up to $88.6 million (originally $97.0 million) expiring on July 1, 2026. The Credit Facilities are comprised of a: (a) $2.0 million committed operating facility issued to Royalties LP ("**Facility A**"); (b) $53.3 million (originally $61.7 million) committed non-revolving credit facility issued to Royalties LP for the purpose of refinancing Royalties LP's previous credit facilities, to facilitate the Fund repurchasing and cancelling Units under normal course issuer bids or substantial issuer bids, to finance the cash component of any exchange of exchangeable BP Canada GP Units and to repay reimbursement charges owing by Royalties LP to BPI under the Royalties Limited Partnership Agreement ("**Facility B**"); and (c) $33.3 million committed non-revolving credit facility issued to Holdings LP for the purpose of subscribing for Class 1 LP Units of BP Canada LP ("**Facility D**"). The amount available under Facility B permanently reduces whenever Royalties LP repays principal on Facility B. The principal amounts drawn on Facility A, Facility B and Facility D are due and payable upon maturity. As of December 31, 2023, no amount was drawn on Facility A, $53.3 million was drawn on Facility B and $33.3 million was drawn on Facility D.

The Credit Facilities bear interest at variable interest rates as selected by Holdings LP and Royalties LP. In the case of Canadian prime rate loans, the interest rate is equal to the Bank's prime rate plus between 0.00% and 0.65% (depending on the Fund's Total Funded Net Debt to EBITDA ratio) and, in the case of bankers' acceptances and Canadian dollar offered rate loans[12], the interest rate is equal to a variable interest rate based on the Bank's bankers' acceptance rates or Canadian dollar offered rates plus between 1.25% and 1.85% (depending on the Fund's Total Funded Net Debt to EBITDA ratio).

Royalties LP and Holdings LP entered into the following interest rate swaps under the Royalties LP Swap Agreement and Holdings LP Swap Agreement, respectively:

(a) Royalties LP entered into a swap to fix the interest rate at 2.27% plus between 1.25% and 1.85% per annum (depending upon the Fund's Total Funded Net Debt to EBITDA ratios) for a term ending on April 1, 2024 for $15.0 million of the $53.3 million drawn on Facility B;

(b) Royalties LP entered into a swap to fix the interest rate at 2.28% plus between 1.25% and 1.85% per annum (depending upon the Fund's Total Funded Net Debt to EBITDA ratios) for a term ending on February 1, 2027 for $15.0 million of the $53.3 million drawn on Facility B;

(c) Royalties LP entered into a swap to fix the interest rate at 3.48% plus between 1.25% and 1.85% per annum (depending upon debt to EBITDA ratios) for a term ending on January 4, 2028 for $15.0 million of the $53.3 million drawn on Facility B;

[12] A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of IBOR with alternative rates. On December 16, 2021, CARR recommended that the administrator, RBSL, cease publication of CDOR settings immediately after June 28, 2024. On May 16, 2022, following public consultation, RBSL announced that all remaining CDOR settings will cease publication immediately after June 28, 2024, in line with CARR recommendations. As at December 31, 2023, the Fund's IBOR exposure is indexed to CDOR. The alternative rate for CDOR is CORRA. The Fund has had preliminary discussions with the Bank regarding amending the Credit Facilities prior to June 28, 2024 to replace the current rates that are based upon CDOR with corresponding rates that are based upon CORRA. While the precise rates that will be based on CORRA have not yet been agreed upon by the Fund and the Bank, the Fund does not expect these amendments to result in a material increase in the Fund's cost of borrowing under the Credit Facilities.

(d) Holdings LP entered into a swap to fix the interest rate at 1.02% plus between 1.25% and 1.85% per annum (depending upon the Fund's Total Funded Net Debt to EBITDA ratios) for a term ending on August 14, 2025 for $17.0 million of the $33.3 million drawn on Facility D; and

(e) Holdings LP entered into a swap to fix the interest rate at 1.09% plus between 1.25% and 1.85% per annum (depending upon the Fund's Total Funded Net Debt to EBITDA ratios) for a term ending on March 1, 2026 for $15.0 million of the $33.3 million drawn on Facility D.

As of December 31, 2023, $8.3 million drawn on Facility B and $1.3 million drawn on Facility D bore interest at variable interest rates applicable to the Credit Facilities discussed above.

The indebtedness and liability of Royalties LP and Holdings LP under the Credit Facilities are guaranteed by the Fund, the Trust, Holdings GP, Holdings LP, Royalties GP and Royalties LP, all of whom have granted the Bank a first-ranking security interest over all of the assets of the Fund, the Trust, Holdings GP, Holdings LP, Royalties GP and Royalties LP. Neither BPI nor BP Canada LP have guaranteed or provided any security to the Bank with respect to the Credit Facilities. The principal covenants of the Credit Facilities are: (i) the Fund and its subsidiaries, taken as a whole, will maintain a Total Funded Net Debt to EBITDA ratio of not greater than 2.50:1 (tested quarterly on a trailing 12 month basis) until December 2024 and not greater than 2.25:1 thereafter; and (ii) the Fund and its subsidiaries, taken as a whole, will maintain a position so that actual cash distributed to Unitholders does not exceed the sum of: (a) Facility Distributable Cash (defined below), and (b) cash on hand (being the greater of cash on hand as indicated on the Fund's consolidated balance sheets at the end of the period of the test and nil) (tested quarterly on a trailing 12 month basis), except that such actual distributed cash may from time to time exceed the sum of Facility Distributable Cash and cash on hand by an amount of up to $2.0 million. For the purposes of the Credit Facilities, "**Facility Distributable Cash**" is defined as EBITDA (as defined in the Credit Facilities) less interest expense, any principal repayments that may be required and any other cash payments required by the Fund or its subsidiaries (including, without limitation, income taxes), taken as a whole, before making cash distributions to Unitholders. Royalties LP and Holdings LP were in compliance with all of their financial covenants and financial condition tests as of December 31, 2023.

The Credit Agreement, as amended by the First Supplemental Credit Agreement and Second Supplemental Credit Agreement, governing the Credit Facilities contains certain covenants and restrictions, including the requirement to meet certain financial ratios described above. A failure of the Fund or its subsidiaries to comply with these covenants and restrictions could have entitled the Bank to demand repayment of the outstanding balance drawn on the Credit Facilities prior to maturity. Royalties LP and Holdings LP were in compliance with all of their financial covenants and financial condition tests as of December 31, 2023.

Royalties LP and Holdings LP have third-party debt service obligations under the Credit Facilities. The degree to which Royalties LP and Holdings LP are leveraged could have important consequences to the holders of the Units, including: (i) a portion of Royalties LP's and Holdings LP's cash flow could be dedicated to the payment of the principal of and interest on their indebtedness, thereby reducing funds available for distribution to the Fund; and (ii) certain of Royalties LP's and Holdings LP's borrowings may be at variable rates of interest, which exposes Royalties LP and Holdings LP to the risk of increased interest rates. Upon maturity of the Credit Facilities, Royalties LP and Holdings LP will need to refinance the Credit Facilities. There can be no assurance that refinancing of this indebtedness will be available to Royalties LP and Holdings LP, or available to them on acceptable terms. Royalties LP's and Holdings LP's ability to make scheduled payments of principal of or interest on, or to refinance, their indebtedness depends on future cash flows, which are dependent on the Royalty that BPI pays Royalties LP and the Distribution Income BP Canada LP pays Holdings LP, prevailing economic conditions, prevailing interest rate levels, and financial, competitive, business and other factors, many of which are beyond Royalties LP's or Holdings LP's control.

The Credit Facilities contain numerous restrictive covenants that limit the discretion of management of Royalties GP and Holdings GP with respect to certain business matters. These covenants place restrictions on, among other things, the ability of Royalties LP and Holdings LP to incur additional

indebtedness, to create liens or other encumbrances, to pay distributions or make certain other payments, investments, loans and guarantees and to sell or otherwise dispose of assets to allow a change of control, to change the terms of the Royalties Limited Partnership Agreement or Holdings Limited Partnership Agreement, and to merge or consolidate with another entity. A failure to comply with the obligations in the Credit Facilities could result in an event of default which, if not cured or waived, could result in the acceleration of the relevant indebtedness. If the indebtedness under the Credit Facilities were to be accelerated, there can be no assurance that the assets of Royalties LP, Holdings LP and their related entities would be sufficient to repay in full that indebtedness.

Full particulars of the Credit Facilities, including applicable interest rates, security, guarantees and other terms and conditions are contained within the Credit Agreement, First Supplemental Credit Agreement and Second Supplemental Credit Agreement, copies of which are available on SEDAR+ at www.sedarplus.ca.

ANNUAL ADJUSTMENT TO ROYALTY POOL

General

The amount of Royalty payable by BPI to Royalties LP under the License and Royalty Agreement, and the amount of Distribution Income payable by BP Canada LP to Holdings LP, is determined by reference to the amount of Franchise Sales from Boston Pizza Restaurants in the Royalty Pool. BP Canada LP intends to continue to expand the number of Boston Pizza Restaurants in Canada by entering into franchise agreements in respect of new Boston Pizza Restaurants that are not included in the Royalty Pool. The Royalty Pool is adjusted on each Adjustment Date to add New Restaurants that opened, and to remove any Closed Restaurants that closed, during the Fiscal Year ended immediately prior to that Adjustment Date. The following is a summary only of the manner by which such adjustments are calculated and implemented. Reference should be made to the License and Royalty Agreement, the Royalties Limited Partnership Agreement and the BP Canada Limited Partnership Agreement for the full text of these adjustments.

Distribution Entitlements

The holders of the Class B Units are entitled to receive distributions from Royalties LP on the Class B Units based upon the Class B Distribution Limit at the applicable time. Similarly, the holders of Class 2 GP Units are entitled to receive distributions from BP Canada LP on the Class 2 GP Units based upon the Class 2 Distribution Limit. If BPI exercises exchange rights in respect of Class 3 GP Units, Class 4 GP Units or Class 5 GP Units in the future, then from and after the exercise of such exchange rights, the holders of Class 3 GP Units, Class 4 GP Units or Class 5 GP Units, as the case may be, will be entitled to receive distributions from BP Canada LP based upon the Class 3 Distribution Limit, Class 4 Distribution Limit or Class 5 Distribution Limit, respectively.

Annual Adjustments to Distribution and Exchange Entitlements

The Class B Distribution Limit, the Class B Exchange Limit (the number of Units the holder of Class B Units is entitled to acquire from time to time), the Class 2 Distribution Limit and the Class 2 Exchange Limit (the number of Units the holder of Class 2 GP Units is entitled to acquire from time to time) are adjusted on the Adjustment Date in each year based upon the Class B Determined Amount and the Class 2 Determined Amount. If BPI exercises exchange rights in respect of Class 3 GP Units, Class 4 GP Units or Class 5 GP Units in the future, then from and after the first Adjustment Date occurring after such exchange, the Class 3 Distribution Limit, Class 3 Exchange Limit (the number of Units the holder of Class 3 GP Units is entitled to acquire from time to time), the Class 4 Distribution Limit, Class 4 Exchange Limit (the number of Units the holder of Class 4 GP Units is entitled to acquire from time to time), the Class 5 Distribution Limit or Class 5 Exchange Limit (the number of Units the holder of Class 5 GP Units is entitled to acquire from time to time), as the case may be, will be adjusted on the Adjustment Date in each year based upon the Class 3 Determined Amount, Class 4 Determined Amount or the Class 5 Determined Amount, respectively.

Calculation of Annual Adjustments

The amount of Franchise Sales of the New Restaurants that is used to calculate the Class B Determined Amount and Class 2 Determined Amount (and, if and when applicable, the Class 3 Determined Amount, Class 4 Determined Amount or Class 5 Determined Amount) is based upon the amount that the actual Franchise Sales of the New Restaurants for the first Fiscal Year in which such New Restaurants are included in the Royalty Pool exceeds the Franchise Sales of Closed Restaurants during the year (the amount of Franchise Sales of a Closed Restaurant is determined using Franchise Sales of that restaurant for the twelve months following the date that restaurant was added to the Royalty Pool). An estimate of the Class B Determined Amount and Class 2 Determined Amount (and, if and when applicable, the Class 3 Determined Amount, Class 4 Determined Amount or Class 5 Determined Amount) is made based upon: (i) the amount of Franchise Sales of the New Restaurants for such Fiscal Year as forecast by BPI on the basis of assumptions that are considered to be reasonable by the boards of directors of Royalties GP and BPI; and (ii) an estimate of the effective average tax rate to be paid by the Fund. Such estimated Class B Determined Amount and Class 2 Determined Amount (and, if and when applicable, Class 3 Determined Amount, Class 4 Determined Amount or Class 5 Determined Amount) is readjusted after the end of such Fiscal Year when the actual Class B Determined Amount and Class 2 Determined Amount (and, if and when applicable, Class 3 Determined Amount, Class 4 Determined Amount or Class 5 Determined Amount) is calculated on the basis of the actual Franchise Sales for such New Restaurants for such Fiscal Year, and the actual effective average tax rate paid by the Fund is determined. BPI provides Royalties LP and BP Canada LP with an audited report of the amount of such Franchise Sales of the New Restaurants for the first Fiscal Year in which such New Restaurants are included in the Royalty Pool.

The calculation of the Class B Determined Amount and Class 2 Determined Amount (and, if and when applicable, the Class 3 Determined Amount, Class 4 Determined Amount or Class 5 Determined Amount), and in turn the Additional Entitlements BPI receives in respect thereof, is designed to be accretive to Unitholders as the expected increase in net Franchise Sales from the New Restaurants added to, less the Franchise Sales lost from Closed Restaurants removed from, the Royalty Pool is valued at a 7.5% discount. The Class B Determined Amount and Class 2 Determined Amount are calculated as follows:

(a) The Class B Determined Amount is 92.5% of the amount determined by multiplying the Royalty paid by BPI by; and

(b) The Class 2 Determined Amount is 92.5% of the amount determined by multiplying 1.5% by,

the Franchise Sales for such New Restaurants in respect of the first Fiscal Year for which such New Restaurants are included in the Royalty Pool, less the actual Franchise Sales for the Closed Restaurants during the Fiscal Year when they were first added to the Royalty Pool, by one minus the estimated effective average SIFT Tax rate that the Fund will pay during the Fiscal Year in which the Adjustment Date occurs, and dividing this amount by the annual yield paid on the Units for the Fiscal Year immediately preceding the Adjustment Date in respect of such first mentioned Fiscal Year. The annual yield is determined by dividing the per Unit amount distributed in cash by the Fund in such Fiscal Year (annualized in the case of a Fiscal Year of less than 12 months) by the Current Market Price of the Units on such Adjustment Date. The Class 3 Determined Amount, Class 4 Determined Amount or Class 5 Determined Amount, if and when applicable, will be calculated in the same manner as the Class 2 Determined Amount except in each case substituting 0.5% of the Franchise Sales for such New Restaurants and Closed Restaurants for 1.5% of the Franchise Sales for such New Restaurants and Closed Restaurants.

BPI receives 80% of the Additional Entitlements initially, with the balance received when the actual full year performance of the New Restaurants and the actual effective tax rate paid by the Fund are known with certainty. BPI receives 100% of distributions from the Additional Entitlements throughout the year. Once the New Restaurants have been part of the Royalty Pool for a full year, an audit of the Franchise Sales of these restaurants is performed, and the actual effective tax rate paid by the Fund is determined. At such time an adjustment is made to reconcile distributions paid to BPI and the Additional Entitlements received by BPI.

Deficiency

It is possible that on an Adjustment Date there will be a Deficiency as a result of the estimated Royalty and Distribution Income expected to be generated by the New Restaurants being less than the actual Royalty and Distribution Income that is lost from the Closed Restaurants. In such case, BPI would not receive any Additional Entitlements, however, nor would BPI lose any of the Additional Entitlements previously received by BPI. Rather, on future Adjustment Dates, BPI would be required to make-up the Deficiency by first adding Net Royalty and Distribution Income in an amount equal to the Deficiency before receiving any further Additional Entitlements (i.e. BPI only receives Additional Entitlements in respect of the cumulative amount by which Royalty and Distribution Income from New Restaurants exceeds actual Royalty and Distribution Income lost from Closed Restaurants). As at February 13, 2024, a $2.0 million Deficiency exists.

THE EXCHANGE RIGHTS

Pursuant to the Royalties Limited Partnership Agreement, Royalties Exchange Agreement, BP Canada Limited Partnership Agreement and the BP Canada Exchange Agreement, BPI (or a Related Party to whom the applicable units have been transferred) has the right to exchange Class B Units, Class 2 GP Units, Class 3 GP Units, Class 4 GP Units and Class 5 GP Units, for Units. Below is a summary of the Exchange Rights.

Class B Units

Pursuant to the Royalties Limited Partnership Agreement and Royalties Exchange Agreement, BPI (or a Related Party to whom such Class B Units are transferred) has the right to exchange a Class B Unit for that number of Units equal to the Class B Exchange Multiplier.

Class 2 GP Units, Class 3 GP Units, Class 4 GP Units and Class 5 GP Units

Pursuant to the BP Canada Limited Partnership Agreement and BP Canada Exchange Agreement, the Class 2 GP Units, Class 3 GP Units, Class 4 GP Units and Class 5 GP Units each have the right to be exchanged by the holder for either Units or a combination of cash and Units.

Conditions for Initial Exchange of Class 3 GP Units, Class 4 GP Units and Class 5 GP Units

Class 3 GP Units, Class 4 GP Units and Class 5 GP Units have been issued to BPI in order to provide BPI with a mechanism for increasing the Fund's Franchise Sales Participation to 6.0%, 6.5%, and 7.0%, respectively, of Franchise Sales, in each case, less the *pro rata* portion payable to BPI in respect of its retained interest in the Fund. Under the BP Canada Exchange Agreement, BPI may only increase the Fund's Franchise Sales Participation if BPI's business is generating sufficient EBITDA for BPI and BP Canada LP to distribute the Fund's Franchise Sales Participation on a going-forward basis.

More specifically, Class 3 GP Units, Class 4 GP Units and Class 5 GP Units may only be initially exchanged when, for any preceding period of not less than 24 months ending after December 31, 2017, 90% of Normalized EBITDA of BPI (assuming, among other things, the income of BP Canada LP is consolidated with the income of BPI and that none of the Royalty is paid by BPI to Royalties LP) during such period would have exceeded the result of 100% less the Committed Retained Interest (defined below), multiplied by:

(a) 6.0% of Franchise Sales (the "**Class 3 Exchange Condition**"), for Class 3 GP Units;

(b) 6.5% of Franchise Sales (the "**Class 4 Exchange Condition**"), for Class 4 GP Units; and

(c) 7.0% of Franchise Sales (the "**Class 5 Exchange Condition**" and, together with the Class 3 Exchange Condition and the Class 4 Exchange Condition, the "**Exchange Conditions**"), for Class 5 GP Units.

The applicable Exchange Condition must be demonstrated to have been met on the basis of audited financial statements of BPI (the "**Exchange Statements**"). If BPI wishes to test whether the Exchange Conditions have been met for a period other than a financial year of BPI, BPI may cause the preparation and audit of financial statements of BPI to be conducted at its cost.

BPI has the option to initially exchange Class 3 GP Units, Class 4 GP Units and Class 5 GP Units at any time within 90 days after the end of the period shown on the applicable Exchange Statements, provided that the Class 3 Exchange Condition, Class 4 Exchange Condition and Class 5 Exchange Condition, respectively, has been met. Following the initial exchange of Class 3 GP Units, Class 4 GP Units and Class 5 GP Units, BPI will not have to demonstrate that the applicable Exchange Condition has been met for any subsequent period in order to exercise exchange rights in respect of such class of units in the future.

For the avoidance of doubt, BPI may not exercise exchange rights (a) in respect of Class 4 GP Units unless it has previously or concurrently exercised exchange rights in respect of Class 3 GP Units or (b) in respect of Class 5 GP Units unless it has previously or concurrently exercised exchange rights in respect of Class 3 GP Units and Class 4 GP Units.

Establishment of Initial Exchange Limits

Upon BPI increasing the Fund's Franchise Sales Participation to 6.0%, 6.5%, and 7.0%, respectively, of Franchise Sales (less BPI's retained interest in the Fund) through exercising the option to initially exchange Class 3 GP Units, Class 4 GP Units or Class 5 GP Units, BPI will be compensated for so doing by the Class 3 GP Units, Class 4 GP Units and Class 5 GP Units, respectively, becoming exchangeable for Units. BPI's right to increase the Fund's Franchise Sales Participation upon the applicable Exchange Condition being satisfied is designed to be accretive to Unitholders as the additional Distribution Income that Holdings LP will receive from BP Canada LP thereafter is valued at a 7.5% discount. The number of Units into which the Class 3 GP Units, Class 4 GP Units and Class 5 GP Units will be initially exchangeable is the Class 3 Initial Exchange Limit, Class 4 Initial Exchange Limit and Class 5 Initial Exchange Limit, respectively.

Exchanges after Establishment of Initial Exchange Limits

The Class 2 GP Units entitle the holder to exchange a Class 2 GP Unit for that number of Units equal to the Class 2 Exchange Multiplier. Following the initial exchange of Class 3 GP Units, Class 4 GP Units and Class 5 GP Units, the Class 3 GP Units, Class 4 GP Units and Class 5 GP Units will entitle the holder to exchange a Class 3 GP Unit, Class 4 GP Unit or Class 5 GP Unit for that number of Units equal to the Class 3 Exchange Multiplier, Class 4 Exchange Multiplier or Class 5 Multiplier, respectively. Consequently, the aggregate amount of Units that may be issued in exchange for Class 2 GP Units, Class 3 GP Units, Class 4 GP Units and Class 5 GP Units, as the case may be, may not exceed the Class 2 Exchange Limit, the Class 3 Exchange Limit, the Class 4 Exchange Limit or the Class 5 Exchange Limit, respectively.

Upon any exchange of Class 2 GP Units, Class 3 GP Units, Class 4 GP Units or Class 5 GP Units, BP Canada LP will issue a number of Class 2 LP Units, Class 3 LP Units, Class 4 LP Units or Class 5 LP Units, respectively, equal to the number of Units issued to BPI upon such exchange in order to ensure that the portion of the Class 2 Distribution, Class 3 Distribution, Class 4 Distribution and Class 5 Distribution, respectively, payable to BPI is effectively equal to BPI's retained interest in the Fund.

Restrictions on Exchanges

The number of Class B Units, Class 2 GP Units, Class 3 GP Units, Class 4 GP Units and Class 5 GP Units that may be exchanged at any time is subject to the following requirements:

1. **Relative Percentage Interests:** The BP Canada Exchange Agreement contemplates that, upon any exchange of Class 2 GP Units, Class 3 GP Units, Class 4 GP Units, Class 5 GP Units or Class B Units, BPI will cause its Class B Relative Percentage Interest, Class 2 Relative Percentage Interest, Class 3 Relative Percentage Interest, Class 4 Relative Percentage Interest and Class 5

Relative Percentage Interest (to the extent the applicable BP Canada GP Units have previously been exchanged), respectively, to remain within 0.1% of each other. If at any time any of the Relative Percentage Interests varies from any of the other Relative Percentage Interests by 2% or more, BPI will be required to cause an exchange of all applicable BP Canada GP Units and Class B Units within 90 days of such time to cause all of the Relative Percentage Interests to be within 0.1% of less of each other.

For purposes of the above, the "**Class B Relative Percentage Interest**", at any time, is the percentage of the monthly distributions payable by Royalties LP to BPI on account of the Class B Units held by BPI at such time. The "**Class 2 Relative Percentage Interest**", "**Class 3 Relative Percentage Interest**", "**Class 4 Relative Percentage Interest**" or "**Class 5 Relative Percentage Interest**", at any time, is the percentage of the Class 2 Distribution, Class 3 Distribution, Class 4 Distribution and Class 5 Distribution, as the case may be, payable by BP Canada LP to BPI on the Class 2 GP Units, Class 3 GP Units, Class 4 GP Units and Class 5 GP Units, as the case may be, held by BPI at such time.

2. **Committed Retained Interest:** BPI has agreed not to take any active steps to reduce its interest in the Fund to below 10% (such minimum interest in the Fund being the "**Committed Retained Interest**"). In order to meet this test, BPI must hold at least that number of Class B Units and BP Canada GP Units which entitle it to maintain a 10% retained interest in the Fund (measured on the basis of its rights to receive distributions on the Class B Units and BP Canada GP Units).

BPI has the option to increase the minimum Committed Retained Interest in its discretion. BPI also has the option to decrease the minimum Committed Retained Interest to an amount not less than 10% provided that, if BPI has previously exercised its rights to cause an exchange of any of the Class 3 GP Units, Class 4 GP Units or Class 5 GP Units, the highest of the Class 3 Exchange Condition, Class 4 Exchange Condition and Class 5 Exchange Condition which has been exercised would remain satisfied at the proposed reduced Committed Retained Interest.

Cash Option

In connection with any proposed exercise of exchange rights in respect of Class 2 GP Units, Class 3 GP Units, Class 4 GP Units or Class 5 GP Units, the Fund has the right to make an offer to pay cash to BPI in exchange for a portion of such units in lieu of issuing Units to BPI in exchange for such units. If the Fund makes such an offer to BPI, BPI may accept such offer in whole or in part in its sole discretion. If BPI accepts an offer to receive cash in exchange for a portion of the Class 2 GP Units, Class 3 GP Units, Class 4 GP Units or Class 5 GP Units that would otherwise be exchanged for Units, the cash consideration payable in respect of such Class 2 GP Units, Class 3 GP Units, Class 4 GP Units or Class 5 GP Units, as the case may be, will equal the Current Market Price of a Unit multiplied by the number of Units that BPI would otherwise have been entitled to receive had it not elected to receive cash in exchange for such Class 2 GP Units, Class 3 GP Units, Class 4 GP Units or Class 5 GP Units.

Exchange Procedures

Class B Units

The exchange procedure for exchanging Class B Units can be initiated by BPI delivering to Royalties GP, as escrow agent under the Royalties Exchange Agreement, a unit certificate in respect of the Class B Units to be exchanged, duly endorsed in blank for transfer together with the required form of exchange notice. Royalties GP will thereupon give notice of the proposed exchange to Holdings LP. Holdings LP will issue and deliver to the Trust any combination of Holdings LP Units and notes of Holdings LP equal to the Current Market Price of Units into which the tendered Class B Units are exchangeable. The Trust will thereupon issue and deliver to the Fund any combination of Trust Units and Trust Notes equal to the Current Market Price of Units into which the tendered Class B Units are exchangeable. The Fund will thereupon issue the Units into which the tendered Class B Units are exchangeable, and deliver a certificate representing such Units to the Trust. The Trust will deliver the certificate to Holdings LP, and Holdings LP will deliver the certificate to Royalties GP as escrow agent. Royalties GP will complete the exchange procedure by

causing to be issued in the name of Holdings LP a unit certificate for that number of Class D Units to be issued on the exchange, entering Holdings LP in the register of limited partners of Royalties LP in respect of such additional Class D Units of a number equal to the Class B Exchange Multiplier for each Class B Unit exchanged, causing the Class B Units so tendered for exchange to be cancelled, and delivering to BPI a certificate for that number of Units of the Fund to be received on the exchange.

Class 2 GP Units, Class 3 GP Units, Class 4 GP Units and Class 5 GP Units

If BPI wishes to first exercise exchange rights in respect of Class 3 GP Units, Class 4 GP Units or Class 5 GP Units, then it must deliver a notice to the Fund and Holdings LP containing: (i) the number and class of the Class 3 GP Units, Class 4 GP Units or Class 5 GP Units that it proposes to exchange; (ii) the number and class of other BP Canada GP Units and Class B Units it proposes to exchange in order to comply with the restrictions on exchange noted in "The Exchange Rights – Restrictions on Exchange"; (iii) an officer's certificate detailing how the applicable Exchange Condition has been satisfied; and (iv) a copy of the Exchange Statements upon which BPI is relying.

If BPI wishes to exercise exchange rights in respect of Class 2 GP Units, or Class 3 GP Units, Class 4 GP Units or Class 5 GP Units after an initial exchange of the same has occurred, then BPI must deliver a notice to the Fund and Holdings LP containing: (i) the number and class of the Class 2 GP Units, Class 3 GP Units, Class 4 GP Units or Class 5 GP Units that it proposes to exchange; and (ii) the number and class of other BP Canada GP Units and Class B Units it proposes to exchange in order to comply with the restrictions on exchange noted in "The Exchange Rights – Restrictions on Exchange". Within seven days after receiving either such notice, the Fund must provide BPI with a notice specifying the maximum number of exchangeable BP Canada GP Units in respect of which Holdings LP is willing to pay BPI cash.

BPI must then initiate the exchange procedures for exchanging BP Canada GP Units by delivering to the Fund and Holdings GP a notice, in the required form, specifying how many BP Canada GP Units it wishes to exchange for cash, if any (up to the maximum number specified by the Fund), and how many BP Canada GP Units it wishes to exchange for Units, together with unit certificates representing the BP Canada GP Units to be exchanged, duly endorsed in blank for transfer. The exchange procedures are then completed in a manner similar to how the exchange of Class B Units is completed except that: (i) BPI completes the exchange procedures rather than Royalties LP; and (ii) the procedures are varied to the extent that any BP Canada GP Units are exchanged for cash, with slight variations depending upon whether or not the cash is funded via Eligible Debt or otherwise.

Other Covenants

The Fund has agreed not to: (i) make distributions of Units, rights, options, warrants, evidences of indebtedness or assets of the Fund (other than in limited prescribed circumstances) to Unitholders, (ii) issue or distribute rights or options to Unitholders entitling them to subscribe for Units (or securities convertible into or exchangeable for Units), (iii) subdivide or combine the Units or reclassify or effect an amalgamation, merger or reorganization transaction affecting the Units, unless an economically equivalent change is made simultaneously with respect to the Class B Units and the exchangeable BP Canada GP Units.

The Fund has agreed to use its reasonable efforts to permit BPI to participate in any offer or similar transaction with respect to Units (other than a normal course issuer bid) that is proposed by the Fund or proposed to Unitholders and is recommended or consented to by the Fund, without requiring BPI to exercise its Exchange Rights prior to participating in the offer.

The Exchange Rights may be exercised by BPI with respect to any number of Class B Units or exchangeable BP Canada GP Units held by BPI at such time upon not less than three and not more than 10 business days' prior written notice to Holdings LP and Royalties GP (in the case of Class B Units) and the Fund and Holdings LP (in the case of exchangeable BP Canada GP Units) of the exercise of such Exchange Rights.

DESCRIPTION OF OTHER MATERIAL CONTRACTS

Set out below is a description of each of the Fund's material contracts that are not disclosed elsewhere in this Annual Information Form.

Registration Rights Agreement

The Fund and BPI entered into a registration rights agreement dated May 6, 2015 (the "**Registration Rights Agreement**"), pursuant to which the Fund granted BPI certain demand and "piggy-back" registration rights. Subject to certain limitations, these rights will enable BPI to require the Fund to file a prospectus and otherwise assist with a public offering of Units held by BPI, including Units acquired by BPI as a result of exercising the Exchange Rights. The Fund will not be required to qualify any Units for distribution to the public: (i) more than once in any 12-month period; (ii) unless the offering size is at least $20 million; (iii) if the Fund determines that the filing of such prospectus would be seriously detrimental to the Fund or Unitholders, in which case the Fund may postpone the filing of such prospectus for up to 120 days; or (iv) at any time after the first date on which BPI's ownership of the Fund (on a fully-diluted basis) is less than 10% (unless it is caused by the Fund issuing Units). The Fund's expenses will be borne by BPI (or on a proportionate basis if both the Fund and BPI are selling Units) pursuant to the terms of the Registration Rights Agreement.

Consent and Indemnity Agreement

In conjunction with the 2017 Reorganization, the Fund, Trust, Royalties LP, Royalties GP, Holdings LP, Holdings GP and BPI entered into a consent and indemnity agreement dated September 24, 2017 (the "**Consent and Indemnity Agreement**"), pursuant to which the Fund and its subsidiaries consented to BPI and its related entities effecting the various transactions involved in the 2017 Reorganization, and BPI agreed to indemnity the Fund and its subsidiaries for: (i) losses that they suffer as a result of BPI's breach of representations or warranties in the Consent and Indemnity Agreement; (ii) tax liabilities or tax expenses they suffer as a result of BPI and its related entities effecting the various transactions involved in the 2017 Reorganization; and (iii) the failure of BPI or its related entities to implement any part of the 2017 Reorganization.

MARKET FOR SECURITIES

Trading Price and Volume

Units of the Fund are listed for trading on the TSX under the symbol BPF.UN. The following is a summary of the price ranges and volume traded on a monthly basis for the Fiscal Year ended December 31, 2023:

MONTH	OPEN	HIGH	LOW	CLOSE	TOTAL MONTH VOLUME TRADED
January 2023	$15.01	$16.64	$15.00	$16.64	696,424
February 2023	$16.65	$16.73	$16.07	$16.32	522,645
March 2023	$16.40	$16.58	$14.81	$15.04	848,772
April 2023	$15.05	$15.92	$15.01	$15.61	693,670
May 2023	$15.55	$16.58	$15.30	$16.31	854,596
June 2023	$16.38	$16.60	$15.90	$16.60	711,258
July 2023	$16.57	$16.84	$16.12	$16.67	736,741
August 2023	$16.64	$16.83	$16.15	$16.20	799,216
September 2023	$16.22	$16.30	$15.03	$15.16	586,648
October 2023	$15.11	$15.40	$14.45	$14.67	597,390
November 2023	$14.63	$15.80	$14.63	$15.60	525,930
December 2023	$15.55	$15.88	$15.00	$15.33	641,256

MANAGEMENT

Trustees of the Fund

The name, province of residence and principal occupation for the five preceding years of each of the Trustees is shown below. The Trustees are appointed at each annual meeting of Unitholders. The term of office for each Trustee expires at the close of the next annual general meeting of the Fund or until the earlier of the Trustee's death, resignation or removal.

Trustee and Province of Residence	Trustee Since	Principal Occupation for Previous Five Years
Marc Guay, ICD.D Ontario, Canada	June 2018	Trustee of the Fund – June 2018 to present; Advisory Board Member of Grosche International Inc. – spring 2022 to present; Director of Metro Inc. – April 2016 to present; Executive Advisor to Presidents of Enterprising Organization – April 2016 to April 2021
Paulina Hiebert, B. Comm, LL.B., MBA Alberta, Canada	June 2019	Trustee of the Fund – June 2019 to present; Member of Board of Governors, Trez Capital – November 2021 to present; Vice Chair, Director and Vice-Chair, Alberta Credit Union Deposit Guarantee Corporation – December 2016 to present
Shelley Williams, CPA/CA, ICD.D British Columbia, Canada	November 2022	Trustee of the Fund – November 2022 to present; Director on the Board of the Bank of Canada – January 2023 to present; Member of

Trustee and Province of Residence	Trustee Since	Principal Occupation for Previous Five Years
		the Board of Technical Safety BC – February 2023 to Present; Member of the Board of Concentra Bank – 2017 to 2022; Member of the Board of Concentra Trust – 2019 to 2022; Member of the Board of BC Life & Casualty Company – 2015 to 2021

Remuneration of Trustees of the Fund and Directors of Royalties GP

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, $500 for each extraordinary meeting of the Trustees attended that is less than or equal to two hours in length, and $1,000 for each extraordinary meeting of the Trustees attended that is greater than two hours in length. Each of the directors of Royalties GP is entitled to annual compensation for their services as a director of $26,000 per year plus an additional $1,000 per director for attending each regularly scheduled meeting of the board of directors, $500 per director for each extraordinary meeting of the board of directors or a committee of the board of directors that is less than or equal to two hours in length, and $1,000 per director for each extraordinary meeting of the board of directors or a committee of the board of directors that is greater than two hours in length (in each case, except where the director attends a meeting of the Trustees on the same day and for which compensation is paid). Each of the directors of Royalties GP is reimbursed for general expenses as they arise from time to time. At present, neither Mr. Holm nor Mr. Harbinson receives compensation for their roles as directors of Royalties GP. For descriptions of Mr. Holm, President of Royalties GP, and Mr. Harbinson, Chief Financial Officer of Royalties GP, see "Management – Directors and Officers of Royalties GP". The Fund and Royalties GP do not have any incentive plans for the Trustees or directors or officers of Royalties GP.

Directors' and Officers' Liability Insurance

The Trustees of the Fund and the trustee of the Trust, and the directors and officers of Holdings GP and Royalties GP 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 $10.0 million inclusive of defence costs. The policy will pay on behalf of the Fund, the Trust, Holdings GP and Royalties GP all losses for which the Fund, the Trust, Holdings GP or Royalties GP grants indemnification to such trustees, directors or officers in excess of a retention of $150,000 for each loss. In addition, there is an excess policy in the amount of $10.0 million, a secondary excess policy of $5.0 million and a Side A DIC liability policy in the amount of $5.0 million. The premiums for these policies are paid by Royalties LP. For the policy year ending July 8, 2024, the premiums for these policies were $207,750.

Units Held

To the knowledge of the Fund, as at February 13, 2024, the Trustees of the Fund and the trustee of the Trust, and the directors and officers of Holdings GP and Royalties GP, together as a group, beneficially owned, directly or indirectly, or exercised control or direction over 14,200 Units representing 0.1% of the Fund's outstanding Units.

Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No Trustee of the Fund or director or executive officer of Royalties GP, is, or has been, within the past 10 years, a director, chief executive officer or chief financial officer of any company, that (a) while that person was acting in that capacity was the subject of a cease trade or similar order or an order that denied that company access to any exemption under Canadian securities legislation, for a period of more than 30 consecutive days (collectively an "**Order**") or (b) after that person ceased to act in that capacity was subject to an Order that resulted from an event that occurred while that person was acting in that capacity. No Trustee, director or executive officer of Royalties GP or Unitholder of the Fund holding a sufficient number of securities of the Fund to materially affect control of the Fund: (a) is or has been within the past 10 years a director or executive officer of any company that, 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 company a receiver was appointed on November 28, 2016; or (b) has, within the past 10 years become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold their assets.

No Trustee of the Fund, director or executive officer of Royalties GP or Unitholder of the Fund holding a sufficient number of securities of the Fund to materially affect control of the Fund: (a) has had any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority; (b) since December 31, 2000, has entered into any settlement agreement with a securities regulatory authority; or (c) has had any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision with respect to the Fund.

Conflicts of Interest

Except as described in the "Interest of Management and Others in Material Transactions" section below, to the knowledge of the Fund, no Trustee or director or executive officer of Royalties GP has an existing or potential material conflict of interest with the Fund or any of its subsidiaries. The Governance Agreement requires that certain procedures be followed whenever a conflict arises between the Fund or any of its subsidiaries and BPI.

Audit Committee of the Fund

The Audit Committee is responsible for monitoring Royalties GP and Royalties LP's financial reporting, accounting systems, internal controls, risk and liaising with external auditors. As noted below, 100% of the members of the Audit Committee are independent.

Composition of the Audit Committee

Audit Committee Member	**Independence and Financial Literacy**
Marc Guay, ICD.D	Mr. Guay is independent and financially literate.
Paulina Hiebert, B. Comm, LL.B., MBA	Ms. Hiebert is independent and financially literate.
Shelley Williams, CPA/CA, ICD.D	Ms. Williams is independent and financially literate.

Relevant Education and Experience

Audit Committee Member	Education and Experience
Marc Guay, ICD.D	Mr. Guay was President of PepsiCo Foods Canada at the time of his retirement in 2015. Over his 29-year PepsiCo career, he held a variety of positions in sales, marketing and general management throughout Canada and the United States. Mr. Guay started his career at Procter and Gamble in 1981 where he spent 5 years prior to joining PepsiCo. Mr. Guay currently serves on the board of Metro Inc (2016 to present) where he is a member of the Human Resources committee (Chair 2021 to present) and Audit committee. He previously served on the boards of a number of not-for-profit organizations, including the Food and Consumer Products of Canada, Food Banks Canada (2011 to 2019) and the Canadian Council for Aboriginal Business. Mr. Guay also serves as a member of the Advisory Board of Grosche International Inc. (spring 2022 to present). Mr. Guay holds a Bachelor's degree in Business Administration from l'Ecole des Hautes Etudes Commerciales (Universite de Montreal) and also completed the Advanced Executive Program at the Kellogg School of Business (Northwestern University). Mr. Guay is a graduate of the Directors Education Program of the Institute of Corporate Directors
Paulina Hiebert, B.Comm, LL.B., MBA	Ms. Hiebert has been the Vice-Chair of the Board of Directors of the Alberta Credit Union Deposit Guarantee Corporation (provincial regulator for Credit Unions in Alberta) since 2016; Chair of their Governance and Human Resources Committee (2023 to present); and a member of their Audit, Finance and Risk Committee (2018 to 2022). She also serves on the Board of Governors of Trez Capital (2021 to present), and is a member of their Audit Committee, Independent Review Committee, and their Credit and Investment Committee. Ms. Hiebert was previously the Vice President Legal and Corporate Secretary of The North West Company Inc. (2009 to 2017); Vice President Legal and Corporate Secretary for The Brick Group Income Fund and Vice President and Chief Compliance Officer for Trans Global Insurance Companies, the financial services segment of The Brick Group (2002 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. She left private practice in 1997 and joined ATB Financial as Associate Counsel, which position she held until 2002. 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 Societies of Alberta (practicing) and Manitoba (non-practicing).

Audit Committee Member	Education and Experience
Shelley Williams, CPA/CA, ICD.D	Ms. Williams has been a Chartered Professional Accountant for 30 years and has an extensive background in corporate finance, capital markets, risk management, and strategy. She has held senior positions at several multinational public companies, including Vice President Treasurer at Finning International Inc. and Corporate Treasurer at Fletcher Challenge Canada. Ms. Williams has significant governance experience at both public and private sector organizations, as well as unique ownership and multi-stakeholder environments. Currently, she is serving as a Director on the Boards of the Bank of Canada (January 2023 to present) and Technical Safety BC (February 2023 to present). Ms. Williams has recently served on the Boards of Concentra Bank (2017 to 2022) and Concentra Trust (2019 to 2022), where she was Chair of the Human Resources and Compensation Committee, and a member of the Special Committees overseeing the sale of the Bank and Trust Company to Equitable Bank. She has also served on the Board of BC Life & Casualty (2015 to 2021) where she chaired the Audit, Risk and Conduct Review Committees and oversaw the merger of the Company with Blue Cross Life. Previously, Ms. Williams served as Chair of the Douglas College Board, Vice Chair of HFN LNG Development Corporation, and as an Independent Commissioner at the BC Securities Commission. Ms. Williams is active in the community and is currently serving as Chair of the Sources Foundation. Ms. Williams holds a Bachelor of Arts (Economics) from the University of Victoria. She has held the ICD designation since 2009 and volunteers as an examiner for ICD's Director Education Program.

Mandate of the Audit Committee

The mandate of the Audit Committee is set forth in the attached Schedule A.

External Auditor Service Fees

Auditor Fees

The aggregate fees billed for professional services rendered by the Fund's external auditor for the years ended December 31, 2023 and December 31, 2022 are as follows:

		December 31, 2023	December 31, 2022
Audit fees	$	127,000	127,500
Audit-related fees		43,600	44,000
Tax fees		20,291	11,000
Total fees	$	190,891	182,500

Audit fees for 2023 and 2022 include fees related to the Fund's annual audit, quarterly reviews, accounting consultations and the audit of reported Franchise Sales.

Audit-related fees for 2023 and 2022 include fees related to internal control review and review engagements and compilations related to certain of the Fund's subsidiaries.

Tax fees for 2023 and 2022 are primarily for tax consultation services related to general tax consultation services and preparation of corporate income tax returns.

Pre-Approval Policies and Procedures

The Chartered Professional Accountants' Code of Professional Conduct on auditor independence include prohibitions or restrictions on services that may be provided by auditors to their audit clients and require that all services provided to a listed entity audit client, including its subsidiaries, be pre-approved by the client's Board of Directors / Audit Committee.

The Fund will not engage an auditor to carry out any prohibited service. The Trustees will consider the pre-approval of permitted services to be performed by the external auditor in each of the following broad categories:

Audit Services
Audit Related Services
Tax Services
- Compliance Services
- Canadian & US Tax Planning Services
- Commodity Tax Services
- Executive Tax Services

Other Services
- Valuation Services
- Information Technology Advisory and Risk Management Services
- Actuarial Services
- Forensic and Related Services
- Corporate Recovery Services
- Transaction Services
- Corporate Finance Services
- Project Risk Management Services
- Operational Advisory and Risk Management Services
- Regulatory and Compliance Services

For permitted services the following pre-approval policies will apply:

Audit Services

The Trustees will pre-approve all audit services provided by an auditor through their recommendation of an auditor to the Unitholders for appointment at the Fund's annual meeting and through the Trustees' review of the auditor's annual audit plan.

Pre-Approval of Audit Related, Tax and Other Services

Annually, the Trustees will update a list of pre-approved services and pre-approve services that are recurring or otherwise reasonably expected to be provided. The Trustees will be subsequently informed (quarterly) of the services for which the auditor has been actually engaged. Any additional requests for pre-approval will be addressed on a case-by-case specific engagement basis.

Governance, Nominating and Compensation Committee of the Fund

The Governance, Nominating and Compensation Committee of the Fund is responsible for making recommendations to the Trustees regarding governance practices, succession planning, candidates to be nominated to stand for election as Trustees and Trustee compensation. All of the Trustees are members of the Governance, Nominating and Compensation Committee of the Fund and all are independent.

Administration Agreement

General

Under the Administration Agreement, Royalties LP is obligated to provide or arrange for the provision of administrative services to the Fund, Holdings LP, Holdings GP and the Trust. With respect to the Fund, the administrative services provided by Royalties LP include without limitation, 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; (viii) administer certain loans; and (ix) provide general accounting, book-keeping, administrative and information system services. 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, Holdings LP, Holdings GP and the Trust and no fee is payable to Royalties LP for the services provided by it to the Fund, Holdings LP, Holdings GP or the Trust under the Administration Agreement. Pursuant to the Royalties Limited Partnership Agreement, BPI is responsible for performing most of Royalties LP's obligations under the Administration Agreement.

Information Systems

The Fund does not operate or maintain its own information systems. Rather, BPI provides information system services to the Fund on behalf of Royalties LP under the Administration Agreement and the Royalties Limited Partnership Agreement. BPI has an experienced information technology team that manages BPI's information systems, including the systems utilized by the Fund, and certain systems, such as point-of-sale processing, that are utilized by franchisees of BP Canada LP in Boston Pizza Restaurants. BPI has processes and programs to manage information security risks as it pertains to these information systems. BPI's information security processes are aimed at ensuring that the collection, processing, storage and destruction of data, including privileged, personal and sensitive data, are done responsibly and in compliance with applicable laws and regulations. BPI has also invested in information security programs addressing awareness, compliance and assessment, remediation and breach response. In addition, BPI's internal Data Privacy and Risk Committee creates policies, processes and best practices in relation to information security risks. Senior management of this internal committee of BPI provides an annual update to the Audit Committee of the Fund (the Audit Committee is independent of management of BPI) regarding the committee's operations, activities, functions and information security risks. Some key programs that BPI has invested in include: (a) programs to achieve compliance with regulatory standards such as the Payment Card Industry Data Security Standards (PCI DSS) and the Canadian Anti-Spam Legislation (CASL); (b) programs with third party security vendors to perform independent security vulnerability assessments of key applications and data repositories; and (c) information security training to employees of BPI to create awareness of data security risks, best practices and information system risk management techniques. BPI is not aware of any security breaches of its information systems, including those used to provide information system services to the Fund, over the past three years.

Directors and Officers of Royalties GP

As the managing general partner of Royalties LP, Royalties GP 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 its managing general partner, Royalties GP. Certain matters relating to the conduct of the business and affairs of Royalties GP are provided for in the Governance Agreement. See "Management – Governance Agreement".

The name, province of residence and principal occupation for the five preceding years of each of the directors and officers of Royalties GP, managing general partner of Royalties LP, administrator to the Fund are set out in the table below:

Name, Province of Residence	Office Held	Principal Occupation for Previous Five Years
Marc Guay, ICD.D[1] [2] Ontario, Canada	Director, June, 2018	Trustee of the Fund – June 2018 to present; Advisory Board Member of Grosche International Inc. – spring 2022 to present; Director of Metro Inc. – April 2016 to present; Executive Advisor to Presidents of Enterprising Organization – April 2016 to April 2021
Paulina Hiebert, B. Comm, LL.B., MBA[1] [2] Alberta, Canada	Director, June 2019	Trustee of the Fund – June 2019 to present; Member of Board of Governors, Trez Capital – November 2021 to present; Vice Chair, Board of Directors, Alberta Credit Union Deposit Guarantee Corporation – December 2016 to present
Shelley Williams, CPA/CA, ICD.D[1] [2] British Columbia, Canada	Director, November, 2022	Trustee of the Fund – November 2022 to present; Director on the Board of the Bank of Canada – January 2023 to present; Member of the Board of Technical Safety BC – February 2023 to Present; Member of the Board of Concentra Bank – 2017 to 2022; Member of the Board of Concentra Trust – 2019 to 2022; Member of the Board of BC Life & Casualty Company – 2015 to 2021
Jordan Holm[3] British Columbia, Canada	Director, President November, 2017	President of BPI – November 2017 to present
Michael Harbinson[3] 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

(1) Also a Trustee of the Fund.
(2) Member of the Audit Committee and the Governance, Nominating and Compensation Committee.
(3) Nominee of BPI.

Governance Agreement

Directors and Committees

Under the Governance Agreement, three of the directors of Royalties GP are nominated by the Fund (each of whom may be a Trustee and must be "independent" within the meaning of section 1.2 of National Instrument 58-101 *Disclosure of Corporate Governance Practices*) and, for so long as BPI holds a 10% interest in the Fund (other than as a result of the Fund issuing Units), whether directly or indirectly through its Class B Units of Royalties LP or exchangeable BP Canada GP 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 Royalties GP, each of which are to be comprised solely of nominees of the Fund.

Governance, Nominating and Compensation Committee

The Governance, Nominating and Compensation Committee 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 for assisting the board of Royalties GP in establishing its approach to corporate governance issues and advising the board in filling vacancies. The corporate governance practices of Royalties GP are disclosed under the heading "Statement of Corporate Governance Practices" in the Information Circular for the Fund dated April 25, 2023 and filed on SEDAR+ at www.sedarplus.ca on April 25, 2023.

Restrictive Covenants

The Governance Agreement provides that BPI: (a) will not amend the term or provisions of the confidentiality, non-solicitation and non-competition covenants contained in employment agreements with its senior management without the consent of Royalties LP; and (b) will enforce these covenants to the extent required by Royalties LP.

Restrictions on the Transfer of Partnership Securities

The Governance Agreement provides that BPI will not sell, transfer, encumber or otherwise dispose of any Royalties LP Securities, BP Canada LP Securities or Special Voting Units without the prior written consent of the other parties to the Governance Agreement, except:

- in accordance with the Royalties Exchange Agreement or the BP Canada Exchange Agreement;
- to the Fund, the Trust, Holdings LP or Royalties LP in accordance with the Royalties Limited Partnership Agreement or BP Canada Limited Partnership Agreement;
- in the event of a take-over bid for all of the Units in which the offeror acquires 90% of all of the issued and outstanding Units (including rights to the Units to be issued upon exercise of the Exchange Rights), in which case BPI will be obligated to sell its Class B Units and BP Canada GP Units to the successful offeror;
- in the event of a take-over bid, amalgamation, plan of arrangement or other business combination or reorganization involving all or substantially all of Royalties LP Securities, Royalties LP's assets, BP Canada LP Securities, BP Canada LP's assets, the Units or the Fund's assets;
- to create a security interest in favour of a bank or other financial institution in respect of *bona fide* indebtedness of BPI, a subsidiary of BPI, Holdings LP or Royalties LP, provided that the bank or other financial institution enters into an agreement with the Fund and Royalties LP or Holdings LP, as applicable, agreeing to cause any person who may acquire any Class B Units or BP Canada GP Units in a realization proceeding to become a party to and to observe the terms and provisions of the Royalties Limited Partnership Agreement, BP Canada Limited Partnership Agreement, the Royalties Exchange Agreement, BP Canada Exchange Agreement and the Governance Agreement;
- to a Related Party in accordance with the Governance Agreement; or
- by creating a security interest in favour of Royalties LP to secure BPI's obligations under the License and Royalty Agreement.

If a take-over bid is made for all of the issued and outstanding Units (including rights to the Units to be issued upon exercise of the Exchange Rights) and not less than 90% of the Units on a fully-diluted basis (other than Units held at the date of the takeover bid by or on behalf of the offeror or associates or affiliates of the offeror) are taken up and paid for by the offeror, or upon the merger of the Fund with another entity, the Fund will have the option, exercisable within 60 days of the closing of the take-over bid or the merger,

to acquire from BPI all of BPI's Class B Units and BP Canada GP Units. The aggregate price for such Class B Units and BP Canada GP Units will be equal to the price paid per Unit pursuant to the successful take-over bid or merger multiplied by the number of Units which BPI would be entitled to receive if BPI exercised its Exchange Rights on the date of purchase.

*Right of First Offer ("**ROFO**")*

The Governance Agreement provides that neither BPI nor the Related Parties will enter into any agreement which, if completed, would result in a Change of Control (as defined hereafter) of BPI unless Royalties LP, Holdings LP or the Fund is first provided with the opportunity to acquire the assets and undertaking of BPI, or the shares of BPI held directly or indirectly by the Related Parties, for the consideration and on terms set forth in a written notice provided by BPI to the Fund, Royalties LP and Holdings LP (the "**ROFO Notice**"). The ROFO Notice must set forth the amount of the purchase price to be paid by Royalties LP, Holdings LP or the Fund for the assets and undertaking of BPI, or the shares of BPI held directly or indirectly by the Related Parties, and a summary of the material terms of the proposed transaction.

If, within 30 days after the receipt of the ROFO Notice, the Fund, Royalties LP or Holdings LP does not inform BPI in writing that any of the Fund, Royalties LP or Holdings LP desires to purchase the assets and undertaking of BPI, or the shares of BPI held directly and indirectly by the Related Parties, or within 30 days after any of the Fund, Royalties LP or Holdings LP informs BPI of its desire to purchase the assets and undertaking of BPI, or the shares of BPI held directly and indirectly by the Related Parties, and the Fund, Royalties LP or Holdings LP does not enter into an agreement with BPI or the Related Parties for the purchase of assets and undertaking of BPI, or the shares of BPI held directly and indirectly by the Related Parties, then BPI or the Related Parties may enter into any agreement in respect thereof which, if completed, would result in a Change of Control of BPI, so long as:

- the amounts that would be received by the direct and indirect shareholders of BPI upon completion of the transaction contemplated by such agreement, after taking into account the amount of income taxes that would be payable under the Tax Act by BPI and the Related Parties if the consideration payable in respect of the transaction that results in such Change of Control were immediately distributed to, or paid to, the Related Parties, is at least equal to the amount of such consideration set forth in the ROFO Notice;

- the non-price terms of the transaction as contained in such agreement, when considered as a whole in a commercially reasonable manner having regard to the nature of the transaction and the summary of the proposed transaction as contained in the ROFO Notice, are not materially less favourable to BPI and/or the Related Parties, as the case may be, than the summary of the terms of the proposed transaction contained in the ROFO Notice; and

- on or before the completion of the transaction as contained in such agreement, the purchaser or other party to such agreement, if the Change of Control involves the sale of the shares of BPI, enters into an agreement with Royalties LP and the Fund agreeing to guarantee the obligations of BPI under the Governance Agreement and the operating covenants of BPI under the License and Royalty Agreement.

If BPI or the Related Parties do not enter into such an agreement within 210 days after the date the ROFO Notice was given to the Fund, Royalties LP and Holdings LP by BPI in respect of such transaction, or a transaction giving effect to a Change of Control permitted by the foregoing is not completed by the first anniversary of the date upon which such ROFO Notice was first given, then neither BPI nor the Related Parties may enter into an agreement which, if completed, would result in a Change of Control, unless the Fund, Royalties LP and Holdings LP are again provided with the opportunity to acquire the assets and undertaking of BPI, or the shares of BPI held directly or indirectly by the Related Parties in accordance with the foregoing.

For the purposes of the Governance Agreement, a Change of Control is defined as:

- the direct or indirect acquisition by any person or persons (other than one or more Related Parties), acting jointly or in concert, of beneficial ownership of 50% or more of the votes attached to BPI's then outstanding voting shares; or

- the approval by shareholders of BPI of (a) an amalgamation involving BPI, or (b) a complete liquidation or dissolution of BPI or the sale or other disposition of all or substantially all of the assets of BPI if immediately after the completion of a transaction referred to in (a) or (b) the Related Parties would not own directly or indirectly more than 50% of the votes attached to the then outstanding voting securities of each person that then owns the assets and undertaking previously owned by BPI.

Notwithstanding the foregoing, a Change in Control will not be deemed to occur solely because 50% or more of the votes attached to BPI's then outstanding voting shares are acquired by: (a) a Related Party; or (b) a trustee or other fiduciary holding securities for the benefit of a Related Party or the estate of a deceased Related Party.

Legal Proceedings

Management is not aware of any litigation outstanding, pending or threatened against the Fund, BPI, BP Canada LP, Royalties LP, the Trust, Holdings LP, Holdings GP or Royalties GP which would be material to Unitholders.

Interest of Management and Others in Material Transactions

BPI has an interest in the following material transactions involving the Fund and Royalties LP that occurred within the three most recently completed financial years or during the current financial year:

- BPI receives ongoing distributions from Royalties LP on its Class B Units;

- BPI received ongoing distributions from BP Canada LP on its BP Canada GP Units; and

- Jordan Holm, President of BPI, and Michael Harbinson, Chief Financial Officer of BPI, are also directors and officers of Royalties GP. The Fund has engaged Royalties LP, its administrator, to provide certain administrative services on behalf of the Fund. In turn, certain of the administrative services are performed by BPI as a general partner of Royalties LP. Under the Royalties Limited Partnership Agreement, BPI is entitled to be reimbursed for certain out-of-pocket expenses incurred in performing the administrative services. BPI and Royalties LP agreed to limit the annual amount of out-of-pocket expenses for which BPI is entitled to be reimbursed to not more than $0.4 million for 2020, 2021 and 2022, after which time the amount will not increase by more than the percentage change in the Canadian Consumer Price Index (as calculated by Statistics Canada) in the calendar year prior thereafter. The Fund increased the reimbursement to BPI by a nominal amount in 2023, which was based on a 6.8% increase in the Canadian Consumer Price Index in 2022.

TRANSFER AGENTS AND REGISTRARS

The transfer agent and registrar of the Units is Computershare Investor Services Inc. at its principal offices in Vancouver, British Columbia and Toronto, Ontario.

LIST OF MATERIAL CONTRACTS

The only material contracts entered into by any of the Fund, Holdings LP, Holdings GP, the Trust, Royalties LP or Royalties GP, other than in the ordinary course of business, that were entered into in the most recently completed financial year, or before the most recently completed financial year but are still in effect, are as follows:

1. the agreements required for the Credit Facilities, referred to under "Credit Facilities";

2. the Priority Agreement referred to under "Description of the Business – BPI Credit Facilities" and "License and Royalty";

3. the License and Royalty Agreement, the BPI GSA and the Subsidiaries GSAs referred to under "License and Royalty";

4. the GSA Amending Agreement referred to under "General Development of the Business – June 2022 Amendment to the Fund's and BPI's Credit Facilities – Amendment to BPI GSA and Subsidiaries GSAs";

5. the Governance Agreement referred to under "Description of Royalties LP – Governance Agreement" and "Management – Governance Agreement";

6. the Royalties Exchange Agreement and BP Canada Exchange Agreement referred to under "The Exchange Rights";

7. the Royalties Limited Partnership Agreement referred to under "Description of Royalties LP";

8. the BP Canada Limited Partnership Agreement referred to under "Description of BP Canada LP";

9. the Holdings Limited Partnership Agreement referred to under "Corporate Structure – Boston Pizza Holdings Limited Partnership";

10. the Declaration of Trust of the Fund referred to under "Description of the Fund";

11. the declaration of trust of the Trust referred to under "Corporate Structure – Boston Pizza Holdings Trust" and "Description of the Fund – Trust Units";

12. the Administration Agreement referred to under "Management – Administration Agreement";

13. the Note Indenture for the Trust Notes referred to under "Description of the Fund – Redemption Right" and "Description of the Fund – Trust Notes";

14. the Royalties LP Swap Agreement and Holdings LP Swap Agreement referred to under "Credit Facilities";

15. the Registration Rights Agreement referred to under "Description of Other Material Contracts – Registration Rights Agreement";

16. the Consent and Indemnity Agreement referred to under "Description of Other Material Contracts – Consent and Indemnity Agreement"; and

17. the Pandemic Recovery Plan Amendment Agreement".

Copies of the foregoing documents may be examined during normal business hours at the offices of the Fund, at 201 – 13571 Commerce Parkway, Richmond, British Columbia, V6V 2R2 or may be found on SEDAR+ at www.sedarplus.ca.

INTERESTS OF EXPERTS

The auditors of the Fund, KPMG LLP, have prepared the auditors' report attached to the Fund's audited annual consolidated financial statements for its most recently completed year end. As of February 13, 2024, KPMG LLP was independent from the Fund within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of British Columbia.

ADDITIONAL INFORMATION

Additional information related to the Fund may be found on SEDAR+ at www.sedarplus.ca. Additional information, including Trustees' remuneration and indebtedness, and principal holders of the Fund's securities, is contained in the Fund's information circular for its most recent annual meeting of Unitholders that involved the appointment of Trustees. Additional financial information is provided in the Fund's audited financial statements and management's discussion and analysis for its most recently completed financial year.

RISKS & UNCERTAINTIES

Risks Related to the Restaurant Industry and Business of BPI and BP Canada LP

Climate Change

Climate change is presenting weather-related risk factors for the restaurant industry, raising important environmental, social, and governance concerns. Extreme weather events, such as hurricanes, wildfires, heatwaves, snowstorms and floods, can severely disrupt operations of Boston Pizza Restaurants by causing physical damage to properties, disrupting supply chains, impeding sales from outdoor patios, and forcing temporary closures. In addition, extreme weather events may alter consumer behavior and impact guest traffic. Boston Pizza Restaurants rely heavily on domestic and international agricultural products. Unpredictable weather patterns can result in crop failures, scarcity of ingredients and volatility in the price of raw materials. These risk factors may: (i) limit the ability of Boston Pizza Restaurants to generate Franchise Sales, thereby decreasing the resulting Royalty, Distribution Income and Distributable Cash available for distribution to Unitholders; and/or (ii) decrease the profitability of Boston Pizza Restaurants, thereby increasing the risks of them closing.

Economic Uncertainties

The success of BPI, BP Canada LP and Boston Pizza Restaurants, and the amount of Franchise Sales, Royalty, Distribution Income and Distributable Cash available for distribution to Unitholders, are dependent upon many economic factors, including impacts of inflation, increases in interest rates, rising input costs, unemployment rates, consumer confidence, consumer discretionary income and spending, recession, supply chain disruption, labour availability and other globally disruptive events. Inflation and increases in interest rates increase the difficulty for Boston Pizza Restaurants to operate profitability due to increased input and debt service costs while balancing the need to maintain competitive menu pricing. Increases in interest rates also make it more difficult for Boston Pizza Restaurants to invest in new equipment and technology due to increased debt service costs. Rising unemployment rates, decreasing consumer confidence and recession may lead to decreased demand for dining out, resulting in reduced guest traffic and Franchise Sales. While global supply chains have somewhat normalized since COVID-19 and Boston Pizza's supply chain is stable, it remains possible that economic uncertainty may result in commodity unavailability or increased commodity costs for Boston Pizza Restaurants. The continued labour shortage in the restaurant industry may impede Boston Pizza Restaurants' ability to attract and retain sufficient numbers of qualified staff. In addition, global disruptions, such as geopolitical events, public health or pandemic outbreaks (including COVID-19), war or hostilities in countries in which Boston Pizza suppliers are located, terrorist or military activities, social unrest or natural disasters could lead to disruptions in the supply chain and increased economic uncertainty. All of these factors can contribute to a challenging environment for Boston Pizza Restaurants, which may: (i) limit their ability to generate Franchise Sales, thereby decreasing the resulting Royalty, Distribution Income and Distributable Cash available for distribution to Unitholders; and/or (ii) decrease their profitability, thereby increasing the risks of Boston Pizza Restaurants closing.

The Restaurant Industry and its Competitive Nature

The performance of the Fund is directly dependent upon the Royalty received from BPI and Distribution Income received from BP Canada LP. The amount of the Royalty and Distribution Income received by Royalties LP and Holdings LP from BPI and BP Canada LP, respectively, is dependent on various factors

that may affect the casual dining sector of the restaurant industry. The restaurant industry generally, and in particular, the casual dining sector, is intensely competitive with respect to price, service, location and food quality. Competitors include national and regional chains, as well as independently owned restaurants. If BPI, BP Canada LP and the Boston Pizza franchisees are unable to successfully compete in the casual dining sector, Franchise Sales may be adversely affected; the amount of the Royalty and Distribution Income may be reduced, and the ability of BPI to pay the Royalty, and the ability of BP Canada LP to pay Distribution Income, may be impaired. The restaurant industry is also affected by changes in demographic trends, guest preference, traffic patterns, general economic conditions and the type, number, and location of competing restaurants. Adverse changes in these factors could reduce guest traffic or impose practical limits on pricing, either of which could reduce revenue and operating income, which could adversely affect Franchise Sales, the Royalty, Distribution Income and the ability of BPI to pay the Royalty to Royalties LP, and the ability of BP Canada LP to pay Distribution Income to Holdings LP.

Growth of the Royalty and Distribution Income

The growth of the Royalty payable by BPI to Royalties LP under the License and Royalty Agreement, and the growth of Distribution Income payable by BP Canada LP to Holdings LP, are dependent upon the ability of BPI and BP Canada LP to (i) maintain and grow their franchised restaurants, (ii) locate new restaurant sites in prime locations, and (iii) obtain qualified operators to become Boston Pizza franchisees. BPI and BP Canada LP face competition for restaurant locations and franchisees from their competitors and from franchisors of other businesses. BPI's and BP Canada LP's inability to successfully obtain qualified franchisees could adversely affect their business development. The opening and success of a Boston Pizza Restaurant is dependent on a number of factors, including: availability of suitable sites; negotiations of acceptable lease or purchase terms for new locations; availability, training and retention of management and other employees necessary to staff new Boston Pizza Restaurants; adequately supervising construction; securing suitable financing; and other factors, some of which are beyond the control of BPI and BP Canada LP. Boston Pizza franchisees may not have all the business abilities or access to financial resources necessary to open a Boston Pizza Restaurant or to successfully develop or operate a Boston Pizza Restaurant in their franchise areas in a manner consistent with BPI's and BP Canada LP's standards. BPI and BP Canada LP provide training and support to Boston Pizza franchisees, but the quality of franchised operations may be diminished by any number of factors beyond BPI's and BP Canada LP's control. Consequently, Boston Pizza franchisees may not successfully operate restaurants in a manner consistent with BPI's and BP Canada LP's standards and requirements, or may not hire and train qualified managers and other restaurant personnel. If they do not, the image and reputation of BPI and BP Canada LP may suffer, and gross revenue and results of operations of the Boston Pizza Restaurants could decline.

The Closure of Boston Pizza Restaurants May Affect the Amount of Royalty and Distribution Income

The amount of the Royalty payable to Royalty LP by BPI, and the amount of Distribution Income payable by BP Canada LP to Holdings LP, are dependent upon the Franchise Sales, which is dependent on the number of Boston Pizza Restaurants that are included in the Royalty Pool and the Franchise Sales of those Boston Pizza Restaurants. Each year, a number of Boston Pizza Restaurants may close and there is no assurance that BPI and BP Canada LP will be able to open sufficient new Boston Pizza Restaurants to replace the Franchise Sales of the Boston Pizza Restaurants that have closed.

BPI and BP Canada LP Revenue

The ability of BPI to pay the Royalty and the ability of BP Canada LP to pay Distribution Income are dependent on (i) Boston Pizza franchisees' ability to generate revenue and to pay royalties to BP Canada LP, (ii) BP Canada LP's ability to enter into arrangements with suppliers and distributors to generate competitive pricing for franchisees and revenue for BP Canada LP, and (iii) BP Canada LP's receipt of amounts for other franchise fees (including initial and renewal franchise fees). Failure of BP Canada LP to achieve adequate levels of collection from Boston Pizza franchisees or the loss of revenues from arrangements with suppliers and distributors could have a serious effect on the ability of BP Canada LP to pay Distribution Income and of BPI to pay the Royalty.

Intellectual Property

The ability of BPI and BP Canada LP to maintain or increase Franchise Sales will depend on their ability to maintain "brand equity" through the use of the BP Rights licensed from Royalties LP. If Royalties LP fails to enforce or maintain any of its intellectual property rights, BPI and BP Canada LP may be unable to capitalize on their efforts to establish brand equity. All registered trademarks in Canada can be challenged pursuant to provisions of the *Trademarks Act* (Canada) and if any BP Rights are ever successfully challenged, this may have an adverse impact on Franchise Sales, and the resulting Royalty, Distribution Income and Distributable Cash available for distribution to Unitholders. Royalties LP owns the BP Rights in Canada. However, it does not own identical or similar trademarks owned by parties not related to BPI or Royalties LP in other jurisdictions. Third parties may use such trademarks in jurisdictions other than Canada in a manner that diminishes the value of such trademarks. If this occurs, the value of the BP Rights may suffer and gross revenue by Boston Pizza Restaurants could decline. Similarly, negative publicity or events associated with such trademarks in jurisdictions outside of Canada may negatively affect the image and reputation of Boston Pizza Restaurants in Canada, resulting in a decline in gross revenue by Boston Pizza Restaurants.

Government Regulation

BPI, BP Canada LP and Boston Pizza Restaurants are subject to various federal, provincial and local laws affecting their respective businesses. In addition, each Boston Pizza Restaurant is subject to licensing and regulation by a number of governmental authorities, which may include alcoholic beverage control, smoking laws, health and safety and fire agencies. Difficulties in obtaining or failures to obtain the required licenses or approvals could delay or prevent the development of a new Boston Pizza Restaurant in a particular area or restrict the operations of an existing Boston Pizza Restaurant. Certain specific governmental regulations affecting BPI, BP Canada LP and Boston Pizza Restaurants are as follows:

Regulations Governing Food Service and Alcoholic Beverages – Boston Pizza Restaurants are subject to various federal, provincial and local government regulations, including those relating to the sale of food and alcoholic beverages. Such regulations are subject to change from time to time. The failure to obtain and maintain these licenses, permits and approvals could adversely affect the operations of a Boston Pizza Restaurant. Typically, licenses must be renewed annually and may be revoked, suspended or denied renewal for cause at any time if governmental authorities determine that the Boston Pizza Restaurant's conduct violates applicable regulations. Difficulties or failures to maintain or obtain the required licenses and approvals could adversely affect existing Boston Pizza Restaurants and delay or result in a decision to cancel the opening of new Boston Pizza Restaurants, which would adversely affect BPI's and BP Canada LP's business.

In addition, the ability of Boston Pizza Restaurants to serve alcoholic beverages is an important factor in attracting guests. Alcoholic beverage control regulations require each Boston Pizza Restaurant to apply to provincial or municipal authorities for a license or permit to sell alcoholic beverages on the premises and, in certain locations, to provide service for extended hours and on Sundays. Typically, licenses must be renewed annually and may be revoked or suspended for cause at any time. Alcoholic beverage control regulations relate to numerous aspects of daily operations of Boston Pizza Restaurants, including minimum age of patrons and employees, hours of operation, advertising, wholesale purchasing, inventory control, and handling, storage and dispensing of alcoholic beverages. The failure of BPI, BP Canada LP or a Boston Pizza franchisee to retain a license to serve liquor for a Boston Pizza Restaurant would adversely affect that restaurant's operations. BPI, BP Canada LP or a Boston Pizza franchisee may be subject to legislation in certain provinces, which may provide a person injured by an intoxicated person the right to recover damages from an establishment that wrongfully served alcoholic beverages to the intoxicated person. BPI, BP Canada LP and Boston Pizza Restaurants carry host liquor liability coverage as part of their existing comprehensive general liability insurance. There is no assurance that such insurance coverage will respond to any particular claim or that it will be adequate.

Laws Concerning Employees – The operations of Boston Pizza Restaurants are also subject to laws and regulations governing the employer/employee relationship, including minimum wages, working conditions, overtime and tip credits, pay equity, discrimination and harassment, as well as rules and regulations

regarding the employment of temporary foreign workers. Significant numbers of Boston Pizza Restaurants' food service and preparation personnel are paid at rates related to the minimum wage and, accordingly, further increases in the minimum wage could increase Boston Pizza Restaurants' labour costs. Any actual or alleged failure to comply with laws and regulations governing the employer/employee relationship could result in claims being asserted by employees of franchisees. Such claims could be asserted against BPI, BP Canada LP or Boston Pizza franchisees and may create not only legal and financial liability, but negative publicity that could adversely affect the Boston Pizza brand and divert financial and management resources that would otherwise be used to benefit the future performance of the Fund, BPI and BP Canada LP. These types of employee claims could also be asserted against BPI or BP Canada LP, on a co-employer or joint employer theory, by employees of the Boston Pizza franchisees. A significant increase in the number of these claims or an increase in the number of successful claims could adversely impact the reputation of the Fund, BPI and BP Canada LP. Lastly, in some regions of Canada, Boston Pizza Restaurants employ temporary foreign workers. The supply of labour in such regions could be reduced by regulations concerning the employment of temporary foreign workers.

Sales Tax Regulations – While there are variations in studies about the extent to which sales taxes impact retail sales, the increase in the after-tax price of goods and services has a negative effect on the customer's perception of spending on restaurant dining. Such negative perception can potentially reduce the frequency of guest visits to restaurants, the total amount that guests spend per restaurant visit, or both. Price elasticity appears to have less impact on densely-populated and market-dominant areas such as urban or downtown restaurants. However, as customer perception of disposable spending is adversely affected by increased after-tax prices, Franchise Sales are at risk of declining if retail sales taxes increase.

Franchise Regulation Risk – The complete failure to provide a disclosure document as required by the franchise disclosure laws and regulations of the Provinces of British Columbia, Alberta, Manitoba, Ontario, New Brunswick and Prince Edward Island (or the provision of a disclosure document that is materially non-compliant) provides a franchisee with a two-year absolute right of rescission. If a disclosure document is not provided within the time required by applicable provincial legislation, a franchisee is provided with 60 days from receipt of the disclosure document in which to rescind the franchise agreement. The statutory right of rescission gives a franchisee the right to receive back all monies paid, and to recover for its losses, if any. Franchise legislation also provides a franchisee with a statutory right of action to sue if a franchisee suffers a loss because of a misrepresentation contained in the disclosure document, or as a result of the franchisor's failure to comply with its disclosure obligations. These rights are in addition to any rights that might exist at common law. Claims arising from any non-compliance with franchise disclosure laws may adversely affect the ability of BP Canada LP to pay Distribution Income to Holdings LP, and of BPI to pay the Royalty to Royalties LP.

Food Borne Illness

Publicity from any food borne illness could adversely affect Franchise Sales in one or more Boston Pizza Restaurants and the resulting Royalty, Distribution Income and Distributable Cash available for distribution to Unitholders. BPI and BP Canada LP have rigorous food safety practices and protocols that Boston Pizza Restaurants are required to follow that are designed to minimize the probability of food borne illness and ensure that guests of Boston Pizza Restaurants enjoy safe, quality food. Nevertheless, there is no assurance that food borne illness cannot occur within the Boston Pizza system. BPI, BP Canada LP or Boston Pizza Restaurants may be the subject of complaints or litigation from guests alleging food-related illness or other food quality or health concerns. Adverse publicity resulting from such allegations may materially affect the Franchise Sales of Boston Pizza Restaurants, irrespective of whether such allegations are true or whether a franchisee, BPI or BP Canada LP is ultimately held liable. Similarly, food borne illness events within the restaurant industry can create adverse publicity and may materially affect the Franchise Sales of Boston Pizza Restaurants.

Disease Outbreaks

Any local, regional, national or international outbreak of a contagious disease, pandemics, epidemics or other material outbreaks of disease could decrease the willingness of the general population to dine out, cause staff shortages, reduced guest traffic, supply shortages, and increased governmental regulations

(including the possibility of restrictions to on-premises dining). Any of the foregoing may: (i) limit Boston Pizza Restaurants' ability to generate Franchise Sales, thereby decreasing the resulting Royalty, Distribution Income and Distributable Cash available for distribution to Unitholders; and/or (ii) decrease the profitability of Boston Pizza Restaurants, thereby increasing the risks of them closing.

Availability and Quality of Raw Materials

Franchise Sales by Boston Pizza Restaurants are dependent upon the availability and quality of raw materials, food, packaging and services used in the products produced and sold by Boston Pizza franchisees. The availability and prices of these raw materials, such as protein, produce, flour and paper products, is subject to fluctuation and may be affected by a variety of factors affecting the supply and demand of the products. Additionally, certain products purchased by Boston Pizza Restaurants are sourced from a single or a limited number of suppliers. A significant reduction in the availability or quality of raw materials purchased by Boston Pizza Restaurants resulting from any of the above factors could have an adverse effect on Franchise Sales and the resulting Royalty, Distribution Income and Distributable Cash available for distribution to Unitholders.

New Menu Items and Advertising Campaigns may not be Successful

Franchise Sales are influenced by brand marketing and advertising and by BPI's and BP Canada LP's ability to develop and launch new and innovative menu items. BPI's and BP Canada LP's marketing and advertising programs may not be successful. BPI and BP Canada LP may also fail to develop commercially successful new menu items that respond to changes in consumer preferences. Both of these could result in an inability of Boston Pizza Restaurants to retain existing guests and attract new guests. The resulting decline in guest traffic may result in a corresponding decline to Franchise Sales and the resulting Royalty, Distribution Income and Distributable Cash available for distribution to Unitholders. In addition, any decline in Franchise Sales would also result in a decline to franchisees' contributions to the Boston Pizza advertising fund (a fund into which franchisees pay a percentage of Franchise Sales), thereby reducing the amount of money available for BPI's and BP Canada LP's marketing and advertising programs.

Potential Litigation and Other Complaints

BPI, BP Canada LP and Boston Pizza franchisees may be the subject of complaints or litigation from guests alleging injuries suffered on the premises or other food quality, health or operational concerns. Adverse publicity resulting from such allegations may materially affect the sales by Boston Pizza Restaurants, regardless of whether such allegations are true or whether BPI, BP Canada LP or a Boston Pizza franchisee is ultimately held liable.

Insurance

BPI, BP Canada LP and Boston Pizza Restaurants maintain insurance coverage to protect them from liabilities they incur in the course of their business. There is no assurance that such insurance coverage will respond to, or be adequate to protect them from, such liabilities. Additionally, in the future, the insurance premiums for BPI, BP Canada LP and Boston Pizza Restaurants may increase and they may not be able to obtain similar levels of insurance on reasonable terms or at all. Any substantial inadequacy of, or inability to obtain insurance coverage could materially adversely affect BPI's and BP Canada LP's business, financial condition and results of operations. Furthermore, there are types of losses BPI, BP Canada LP or Boston Pizza Restaurants may incur that cannot be insured against or that are not economically reasonable to insure. Such losses could have a material adverse effect on BPI's and BP Canada LP's business and results of operations.

Dependence on Key Personnel

The success of the Fund depends upon the personal efforts of senior management of BPI, including BPI's ability to: (i) attract and retain sufficient key personnel of BPI with appropriate capability, skills and leadership competencies to effectively operate BPI's and BP Canada LP's business and achieve BPI's

strategic objectives; and (ii) attract and retain appropriate franchisee candidates. The inability of BPI to attract and retain either key personnel of BPI or appropriate franchisee candidates could have a material adverse effect on the performance of the Fund.

Labour Availability

Labour availability is a key component in the ability of Boston Pizza Restaurants to successfully operate throughout the course of their business day and generate Franchise Sales. Since the elimination of governmental restrictions related to COVID-19 in 2022, the restaurant industry has faced a shortage of available labour. If Boston Pizza Restaurants are unsuccessful in attracting, motivating and retaining a sufficient number of qualified individuals, it could materially disrupt the operations of Boston Pizza Restaurants and result in declines in Franchise Sales and the resulting Royalty, Distribution Income and Distributable Cash available for distribution to Unitholders. In addition, the decreased availability of labour in the restaurant industry has lead to intense competition for talent within the industry and higher wages. An increase in labour costs for Boston Pizza Restaurants may decrease their profitability, thereby increasing the risks of Boston Pizza Restaurants closing.

Franchisee Relations

The success of the Fund, BPI and BP Canada LP is dependent on BPI' and BP Canada LP maintaining positive relationship with franchisees. There is no assurances that BPI and BP Canada LP will be able to maintain positive relationships with all of the franchisees. Adverse publicity resulting from any such strained relationship may affect Franchise Sales of Boston Pizza Restaurants and the ability of BPI and BP Canada LP to source new franchisees, regardless of whether such publicity is accurate. In addition, any challenges in the relationships with franchisees may have an adverse impact on the performance of affected Boston Pizza Restaurants, the ability of BPI and BP Canada LP to undertake new initiatives, and could result in the diversion of management resources and increased administrative costs.

Security of Confidential Guest Information and Personal Information

BPI, BP Canada LP and Boston Pizza franchisees collect and/or use confidential guest information related to the electronic processing of credit and debit card transactions, personal information of guests in connection with Boston Pizza's "MyBP" loyalty platform and personal information of their respective employees. If any of BPI, BP Canada LP or Boston Pizza franchisees experiences a security breach in which any of this type of information is stolen or disclosed, BPI, BP Canada LP or Boston Pizza franchisees may incur unanticipated costs, become subject to claims for purportedly fraudulent transactions arising out of the actual or alleged theft of credit or debit card information, and/or become subject to lawsuits, regulatory penalties or other proceedings relating to these types of incidents. In addition, most provinces have enacted legislation requiring notification of security breaches involving personal information, including credit and debit card information. Any such claims or proceedings could cause BPI or BP Canada LP to incur significant unplanned expenses, which could have an adverse impact on their financial condition and results of operations. Furthermore, adverse publicity resulting from these allegations may have a material adverse effect on Franchise Sales, Royalty, Distribution Income and the ability of BP Canada LP to pay Distribution Income to Holdings LP, or BPI to pay the Royalty to Royalties LP.

Reliance on Technology

BPI, BP Canada LP and Boston Pizza franchisees rely heavily upon information systems, including point-of-sale processing in Boston Pizza Restaurants, for management of their supply chain, payment of obligations, collection of cash, credit and debit card transactions and other processes and procedures, including the taking and sending of orders to Boston Pizza Restaurants. BPI's and BP Canada LP's ability to efficiently and effectively manage their business depends significantly on the reliability and capacity of these systems. BPI's and BP Canada LP's operations depend upon their ability to protect their computer equipment and systems against damage from physical theft, fire, power loss, telecommunications failure or other catastrophic events, as well as from internal and external security breaches, cybersecurity incidents and other disruptive problems. The failure of these systems to operate effectively, maintenance problems, upgrading or transitioning to new platforms, expanding BPI's and BP Canada LP's systems as they grow

or a breach in security of these systems could result in an inability to operate, delays in guest service or reduced efficiency in BPI's and BP Canada LP's operations. Remediation of such problems could result in significant, unplanned capital investments.

Effect of Media and Social Media

The Fund, BPI, BP Canada LP and Boston Pizza Restaurants may be adversely affected by the information disseminated through both traditional media and social media. There has been a significant increase in the use of social media platforms and similar communication channels that provide individuals with access to a broad audience of consumers and other interested persons. The availability and impact of information on social media platforms is virtually immediate and many social media platforms publish user-generated content without filters or independent verification as to the accuracy of the content posted. The opportunity for dissemination of information, including inaccurate information, is seemingly limitless and readily available. Information posted may be adverse to the interests of the Fund, BPI, BP Canada LP, Boston Pizza Restaurants or the Boston Pizza brand, or may be inaccurate, and may harm the performance, prospects or business of Fund, BPI, BP Canada LP, Boston Pizza Restaurants or the Boston Pizza brand. The harm may be immediate without affording the Fund, BPI, BP Canada LP or Boston Pizza Restaurants for redress or correction. Any harm caused by media reports, including social media, could reduce demand for the products and services offered by Boston Pizza Restaurants and could decrease guest traffic to Boston Pizza Restaurants as customers shift their preferences to competitors or to other products or food types. A decrease in guest traffic to Boston Pizza Restaurants as a result of negative publicity from the media, including social media, could result in a decline in Franchise Sales and the resulting Royalty, Distribution Income and Distributable Cash available for distribution to Unitholders.

Environment, Social, and Governance Matters

There has been increasing public focus by consumers, investors, environmental activists, the media and governmental and nongovernmental organizations on social and environmental sustainability matters, including packaging and waste, animal health and welfare, human rights, climate change, greenhouse gases and land, energy and water use. As a result, the Fund, BPI, BP Canada LP and Boston Pizza Restaurants may experience increased expectations to provide expanded disclosure and make commitments, establish goals or set targets with respect to various environmental and social issues and to take the actions necessary to meet those commitments, goals and targets. If the Fund, BPI, BP Canada LP and Boston Pizza Restaurants are not effective in addressing the public's expectations regarding social and environmental sustainability matters, consumer trust in the Boston Pizza brand may suffer. In addition, the actions needed to achieve any commitments, goals and targets that are established could result in increased costs to BPI, BP Canada LP and Boston Pizza Restaurants, which may: (i) limit Boston Pizza Restaurants' ability to generate Franchise Sales, thereby decreasing the resulting Royalty, Distribution Income and Distributable Cash available for distribution to Unitholders; and/or (ii) decrease the profitability of Boston Pizza Restaurants, thereby increasing the risks of them closing. The amount of Franchise Sales and the resulting Royalty, Distribution Income and Distributable Cash available for distribution to Unitholders, could be adversely impacted if BPI and BP Canada LP are unable to effectively manage the risks or costs, Boston Pizza franchisees and the supply chain associated with social and environmental sustainability matters. In addition, future legislative and regulatory efforts to combat climate change or other environmental considerations could result in increased regulation, and additional taxes and other expenses, in a manner that adversely affects the Boston Pizza business.

Risks Related to the Structure of the Fund

Investment Eligibility

There can be no assurance that the Units will continue to be qualified investments for registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered education savings plans, registered disability savings plans or tax-free savings accounts under the Tax Act. In addition, a Unit may be a prohibited investment in respect of a registered disability savings plan, registered education savings plan, registered retirement savings plan, registered retirement income fund or tax-free savings account where, in general terms, the holder, subscriber or annuitant (as the case may be) does not

deal at arm's length with the Fund or has a "significant interest" (as defined in the Tax Act) in the Fund. The Tax Act imposes penalties for the acquisition or holding of non-qualified or prohibited investments.

Dependence of the Fund on the Trust, Holdings LP, BPI and BP Canada LP

The cash distributions to the Unitholders are entirely dependent on the ability of the Trust to pay its interest obligations, if any, under the Trust Notes and to make distributions on the Trust Units. The ability of the Trust to pay its interest obligations or make distributions on Trust Units held by the Fund is entirely dependent upon the ability of Holdings LP to make distributions on the Holdings LP Units held by the Trust. The ability of Holdings LP to make distributions on the Holdings LP Units held by the Trust is entirely dependent upon the ability of Royalties LP to make distributions on the limited partner units of Royalties LP held by Holdings LP and upon BP Canada LP's ability to pay Distribution Income on the limited partner units of BP Canada LP held by Holdings LP.

The only sources of revenue of the Fund are: (i) the Royalty payable by BPI to Royalties LP; and (ii) Distribution Income payable by BP Canada LP to Holdings LP. BP Canada LP collects franchise fees and other amounts from Boston Pizza franchisees and BPI generates revenues from its corporate restaurants. In the conduct of the business, BPI pays expenses and incurs debt and obligations to third parties. These expenses, debts and obligations could impact the ability of BPI to pay the Royalty to Royalties LP, or of BP Canada LP to pay Distribution Income to Holdings LP.

Royalties LP, Holdings LP and the Fund are each entirely dependent upon the operations and assets of BPI and BP Canada LP to pay the Royalty to Royalties LP and Distribution Income to Holdings LP, and each is subject to the risks encountered by BPI and BP Canada LP in the operation of their business, including the risks relating to the casual dining restaurant industry referred to above and the results of operations and financial condition of BPI and BP Canada LP.

Leverage Risks

Refinancing Risk – Royalties LP and Holdings LP have third-party debt service obligations under the Credit Facilities. The degree to which Royalties LP and Holdings LP are leveraged could have important consequences to Unitholders, including: (i) a portion of Royalties LP's and Holdings LP's cash flow from operations could be dedicated to the payment of the principal of and interest on their indebtedness, thereby reducing funds available for distribution to the Fund; and (ii) certain of Royalties LP's and Holdings LP's borrowings are at variable rates of interest, which exposes them to the risk of increased interest rates. The Credit Facilities are due on July 1, 2026, at which time Royalties LP and Holdings LP will need to refinance such loans. There can be no assurance that refinancing of this indebtedness will be available to Royalties LP or Holdings LP, or available to Royalties LP or Holdings LP on acceptable terms. If Royalties LP and Holdings LP cannot refinance this indebtedness on acceptable terms upon maturity, it will negatively impact the ability of Royalties LP and Holdings LP to make distributions on their partnership securities, which in turn will negatively impact Distributable Cash and the Fund's ability to make distributions on the Units. Royalties LP's and Holdings LP's ability to make scheduled payments of principal or interest on, or to refinance, their indebtedness depends on future cash flows, which is dependent on Distribution Income Holdings LP receives from BP Canada LP, Royalty payments Royalties LP receives from BPI, prevailing economic conditions, prevailing interest rate levels, and financial, competitive, business and other factors, many of which are beyond its control.

Restrictive Covenants – The Credit Facilities contain numerous restrictive covenants that limit the discretion of Royalties LP's and Holdings LP's management with respect to certain business matters. These covenants place restrictions on, among other things, the ability of Royalties LP and Holdings LP to incur additional indebtedness, to create liens or other encumbrances, to pay distributions or make certain other payments, investments, loans and guarantees, to sell or otherwise dispose of assets, to allow a change of control, to change the terms of the Holdings Limited Partnership Agreement or the Royalties Limited Partnership Agreement and to merge or consolidate with another entity. A failure to comply with the obligations in the Credit Facilities could result in an event of default which, if not cured or waived, could result in the acceleration of the relevant indebtedness. If the indebtedness under the Credit Facilities were

to be accelerated, there can be no assurance that Royalties LP's, Holdings LP's and the Trust's assets would be sufficient to repay that indebtedness.

Interest Rate Risks – Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Fund is exposed to interest rate risk primarily through its long-term borrowings. Variations in interest rates could result in significant changes in the amount required by the Fund to be applied to debt service that could negatively impact Distributable Cash and the Fund's ability to make distributions on the Units. The Fund manages exposure to interest rate risk primarily through fixing a significant portion of the Fund's interest rate debt and by evenly staggering interest rate swap expiry dates over a longer period of time. Further information on the Fund's long-term debt is set out above in "Credit Facilities".

Risks Related to Debt of BPI

- BPI has third-party debt service obligations under the BPI Credit Facilities. The degree to which BPI is leveraged could have important consequences to Unitholders, including: (i) a portion of BPI's cash flow from operations could be dedicated to the payment of the principal of and interest on BPI's indebtedness, thereby reducing funds available for payment of the Royalty; and (ii) certain of BPI's borrowings are at variable rates of interest. The BPI Credit Facilities are due on July 1, 2026, at which time BPI will need to refinance such loans. There can be no assurance that refinancing of this indebtedness will be available to BPI, or available to BPI on acceptable terms. If BPI cannot refinance this indebtedness on acceptable terms upon maturity, it may negatively impact the ability of BPI to pay the Royalty. Given the Fund's dependence upon BPI, this may negatively impact Distributable Cash and the Fund's ability to make distributions on the Units. BPI's ability to make scheduled payments of principal or interest on, or to refinance, its indebtedness depends on future cash flows, which is dependent on the success of Boston Pizza Restaurants, prevailing economic conditions, prevailing interest rate levels, and financial, competitive, business and other factors, many of which are beyond its control.

- The BPI Credit Facilities contain numerous restrictive covenants that limit the discretion of BPI's management with respect to certain business matters. These covenants place restrictions on, among other things, the ability of BPI to incur additional indebtedness, to create liens or other encumbrances, to pay distributions or make certain other payments, investments, loans and guarantees, to sell or otherwise dispose of assets, to allow a change of control, and to merge or consolidate with another entity. A failure by BPI to comply with the obligations in the BPI Credit Facilities could result in an event of default which, if not cured or waived, could result in the acceleration of the relevant indebtedness. If the indebtedness under the BPI Credit Facilities were to be accelerated, there can be no assurance that BPI's assets would be sufficient to repay that indebtedness. If BPI were unable to repay that indebtedness, it would adversely affect BPI's ability to pay the Royalty, thereby negatively impacting Distributable Cash and the Fund's ability to make distributions on the Units.

- BPI is exposed to interest rate risk primarily through its long-term borrowings. Variations in interest rates could result in significant changes in the amount required by BPI to be applied to debt service that could negatively impact BPI's ability to pay the Royalty. BPI monitors its exposure to interest rate risk by monitoring the fluctuation in the bankers' acceptance rates, prime interest rate and evaluates interest rate swaps when necessary.

Risks Related to Debt of Franchisees – Numerous franchisees of BP Canada LP have third-party debt service obligations under various credit arrangements with their lenders. The degree to which franchisees of BP Canada LP are leveraged and the extent to which such franchisees are exposed to interest rate risk could impact the amount of cash such franchisees are required to spend on debt service. In turn, this could negatively impact the ability of such franchisees to pay BP Canada LP royalty and advertising fees and may increase the probability of Boston Pizza Restaurants closing. As well, any failure of franchisees of BP Canada LP to either comply with the agreements governing their third-party debt service obligations or to repay or refinance such debt upon maturity could negatively impact the ability of such franchisees to pay

BP Canada LP royalty and advertising fees and may increase the probability of Boston Pizza Restaurants closing.

Cash Distributions are Not Guaranteed & Fluctuate with Royalties LP's and Holdings LP's Performance

Although the Fund's policy is to distribute the total amount of cash received by the Fund from the Trust on the Trust Units and the Trust Notes less the sum of: (a) administrative expenses and other obligations of the Fund; (b) amounts which may be paid by the Fund in connection with any cash redemptions of Units; (c) any interest expense incurred by the Fund; (d) any contractually required repayments of principal of the Fund's indebtedness; and (e) reasonable reserves established by the trustees of the Fund in their sole discretion, including, without limitation, reserves established to pay SIFT Tax, in order to maximize returns to Unitholders, there can be no assurance regarding the amounts of income to be generated by the Fund, Royalties LP or Holdings LP. The actual amount distributed in respect of the Units will depend upon numerous factors, including amount of and payment of Distribution Income by BP Canada LP, and the Royalty by BPI.

Fund not a Corporation

Investors are cautioned that the Fund is not generally regulated by established corporate law and Unitholders' rights are governed primarily by the specific provisions of the Declaration of Trust of the Fund, which address such items as the nature of the Units, the entitlement of Unitholders to cash distributions, restrictions respecting non-resident holdings, meetings of Unitholders, delegation of authority, administration, Fund governance and liabilities and duties of the Trustees to Unitholders. As well, in the event of an insolvency or restructuring of the Fund under Canadian insolvency legislation, the rights of Unitholders may be different from those of shareholders of an insolvent or restructuring corporation.

Nature of Units

Securities such as the Units are hybrids in that they share certain attributes common to both equity securities and debt instruments. The Units do not represent a direct investment in the Trust, Royalties LP or Holdings LP and should not be viewed by investors as units in the Trust, Royalties LP or Holdings LP. Unitholders will not have the statutory rights normally associated with ownership of shares of a corporation including, for example, the right to bring "oppression" or "derivative" actions. The Units represent a fractional interest in the Fund. The Fund's only assets are Series 1 Trust Notes, Trust Units, common shares of Royalties GP and common shares of Holdings GP. The price per Unit is typically a function of the anticipated amount of distributions.

Restrictions on Certain Unitholders and Liquidity of Units

The Declaration of Trust imposes various restrictions on Unitholders. Unitholders that are Non-residents and partnerships that are not Canadian partnerships for purposes of the Tax Act are prohibited from beneficially owning more than 50% of the Units (on a non-diluted and a fully-diluted basis). These restrictions may limit (or inhibit the exercise of) the rights of certain Unitholders, including Non-residents, to acquire Units, to exercise their rights as Unitholders and to initiate and complete take-over bids in respect of the Units. As a result, these restrictions may limit the demand for Units from certain Unitholders and thereby adversely affect the liquidity and market value of the Units held by the public.

Unpredictability and Volatility of Unit Prices

Factors Outside Fund's Control – The market price of Units may experience significant fluctuations in response to many factors, some of which may be outside the Fund's control. Industry specific fluctuations on stock markets may impact the trading price of Units irrespective of the financial performance of the Fund or Boston Pizza Restaurants in the Royalty Pool. There is no assurance that the market price of Units will remain at current levels. In addition, there can be no assurance that any fluctuations in the market price of Units will be commensurate with the financial performance of the Fund or Boston Pizza Restaurants in the Royalty Pool.

Effect of Interest Rates on Unit Price – One factor that may influence the market price of Units is the annual return generated from Distributions on the Units compared to the annual return generated from alternative financial instruments. Increases in interest rates may result in higher returns generated from such alternative financial instruments, which could adversely affect the market price of Units.

Analyst Reports and Ratings – The price at which Units trade may be influenced by reports or ratings published by financial analysts. If an analyst who covers the Fund publishes a report that is unfavourable to the Fund or downgrades its evaluation of Units, the market price of Units may decline. If any analyst who covers the Fund ceases to do so, the Fund could lose visibility in the market for Units, which in turn could have an adverse impact on the price at which Units trade.

The Fund May Issue Additional Units Diluting Existing Unitholders' Interests

The Declaration of Trust authorizes the Fund to issue an unlimited number of Units and Special Voting Units for such consideration and on such terms and conditions as will be established by the Trustees without the approval of any Unitholders. Additional Units will be issued by the Fund upon the exchange of the Class B Units or BP Canada GP Units held by BPI or any Related Party.

Possible Unitholder Liability

The Declaration of Trust of the Fund provides that no Unitholder will be subject to any liability whatsoever to any person in connection with the holding of Units. However, there remains a risk, which is considered by the Fund to be remote in the circumstances, that a Unitholder could be personally liable despite such statement in the Declaration of Trust for the obligations of the Fund to the extent that claims are not satisfied out of the assets of the Fund. It is intended that the affairs of the Fund will be conducted to seek to minimize such risk wherever possible. There is legislation under the laws of British Columbia (discussed below) and certain other provinces which is intended to provide protection for beneficial owners of trusts.

On March 30, 2006, the *Income Trust Liability Act* (British Columbia) came into force. This legislation creates a statutory limitation on the liability of beneficiaries of British Columbia income trusts such as the Fund. The legislation provides that a unitholder of a trust will not be, as a beneficiary, liable for any act, default, obligation or liability of the trustees. However, this legislation has not been judicially considered and it is possible that reliance on the legislation by a Unitholder could be successfully challenged on jurisdictional or other grounds.

Distribution of Securities on Redemption of Units or Termination of the Fund

Upon a redemption of Units or termination of the Fund, the Trustees may distribute Series 2 Trust Notes and Series 3 Trust Notes directly to the Unitholders, subject to obtaining all required regulatory approvals. There is currently no market for Series 2 Trust Notes or Series 3 Trust Notes. In addition, the Series 2 Trust Notes and Series 3 Trust Notes are not freely tradable and are not currently listed on any stock exchange. Securities of the Trust so distributed may not be qualified investments for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered education savings plans, registered disability savings plans or tax free savings accounts and may be prohibited investments for registered disability savings plans, registered education savings plans, registered retirement savings plans, registered retirement income funds and tax free savings accounts, depending upon the circumstances at the time.

Income Tax Matters

Although the Fund, its subsidiaries and BP Canada LP are of the view that all expenses to be claimed by them in the determination of their respective incomes under the Tax Act will be reasonable and deductible in accordance with the Tax Act and that the allocation of income for purposes of the Tax Act among the partners of Royalties LP and BP Canada LP is reasonable, there is no assurance that the Tax Act or the interpretation of the Tax Act will not change, or that the Canada Revenue Agency will agree with the expenses claimed or the allocations of income made. If the Canada Revenue Agency successfully

challenges the deductibility of such expenses or the allocation of such income, the allocation of income to Holdings LP, and indirectly Holdings Trust, the Fund and Unitholders, may increase or change.

There can be no assurance that Canadian federal income tax laws will not be changed in a manner that adversely affects the Fund and the Unitholders. If the Fund ceases to qualify as a "mutual fund trust" under the Tax Act, the income tax treatment afforded to Unitholders would be materially and adversely different in certain respects.

Distributions on the Trust Units accrue at the Fund level for income tax purposes whether or not actually paid. Similarly, the Royalty may accrue at the Royalties LP level, and Distribution Income may accrue at the Holdings LP level, for income tax purposes whether or not actually paid. As a result, the income of Royalties LP or Holdings LP allocated to the Fund (through the Trust and Holdings LP), in respect of a particular Fiscal Year may exceed the cash distributed by Royalties LP or Holdings LP to the Fund (through the Trust and Holdings LP) in such year. The Declaration of Trust provides that the Trustees may declare distributions to Unitholders in such amounts as the Trustees may determine from time to time. Where, in a particular year, the Fund does not have sufficient available cash to distribute the amounts so declared to Unitholders (for instance, where distributions on the Trust Units are due but not paid in whole or in part), the Declaration of Trust provides that additional Units may be distributed to Unitholders in lieu of cash distributions. Unitholders will generally be required to include an amount equal to the fair market value of those distributed Units in their taxable income.

The Fund is liable to pay the SIFT Tax. The payment of the SIFT Tax reduces the amount of cash available for distributions to Unitholders. SIFT Tax may also adversely affect the marketability of Units and the ability of the Fund to successfully undertake financings or acquisitions. Since 2011, taxable income of the Fund allocated to Unitholders is classified as eligible dividends under the Tax Act. Unitholders who are Canadian residents and hold Units in non-tax deferred accounts may claim the dividend tax credit for eligible dividends which would, if applicable, reduce the after-tax impact of SIFT Tax. Unitholders are advised to consult their own tax advisors to determine the impact of SIFT Tax on their holdings of Units.

Internal Control Over Financial Reporting

All internal control systems contain inherent limitations, no matter how well designed. As a result, management acknowledges that its internal controls over financial reporting will not prevent or detect all misstatements due to error or fraud. In addition, management's evaluation of internal controls can provide only reasonable, not absolute, assurance that all internal control issues that may result in material misstatements, if any, have been detected.

NOTE REGARDING FORWARD-LOOKING INFORMATION

Certain information in this Annual Information Form may constitute "forward-looking information" that involves known and unknown risks, uncertainties, future expectations and other factors which may cause the actual results, performance or achievements of the Fund, the Trust, Royalties LP, Holdings LP, Holdings GP, Royalties GP, BPI, BP Canada LP, BPCHP, Boston Pizza Restaurants, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. When used in this Annual Information Form, forward-looking information may include words such as "anticipate", "estimate", "may", "will", "expect", "believe", "plan" "forecast" and other similar terminology. This information reflects current expectations regarding future events and operating performance and speaks only as of the date of this Annual Information Form.

Forward-looking information in this Annual Information Form includes, but is not limited to, such things as:

- commercial foodservice industry projections;
- Restaurant Canada's forecasts with respect to Canada's commercial foodservice industry;
- the impact of, and recovery from, COVID-19 on Boston Pizza Restaurants and the commercial foodservice industry;
- the continued impact of the Pandemic Recovery Plan;

- how the Special Distribution is not expected to become a regular practice in future years;
- the collection of royalty and advertising fees from franchisees that were deferred in respect of Franchise Sales and the maintenance of franchisee relationships;
- BPI management modifying operations and procedures of Boston Pizza Restaurants to ensure the safety of guests and employees of BP Canada LP's franchisees;
- the persistence of industry challenges negatively affecting SRS;
- sales levels returning to levels consistent with times prior to COVID-19;
- economic uncertainty negatively impacting the success of BPI, BP Canada and Boston Pizza Restaurants, and the amount of Franchise Sales, Royalty, Distribution Income and Distributable Cash available for distribution to Unitholders, including with respect to supply chain challenges (including the availability of raw materials), rising interest rates, increasing input costs and labour shortages impacting most of the restaurant industry, together with sustainability and climate-related issues;
- future distributions and dates that distributions are to be paid or payable;
- adjustments to Additional Entitlements that are to occur in the future and when such adjustments will occur;
- how changes in distributions will be implemented;
- how distributions will be funded;
- volatility in the market price of Units;
- BPI repaying or refinancing the BPI Credit Facilities upon maturity;
- Royalties LP and Holdings LP refinancing the Credit Facilities upon maturity;
- the Fund continuing to qualify is a mutual fund trust for the purposes of the Tax Act;
- increased expectations regarding disclosure of environment, social and governance matters;
- the future expansion of Boston Pizza Restaurants;
- Boston Pizza being well positioned to strengthen its number one position in the casual dining market;
- future growth being expected to come from a combination of SRS growth and new restaurant growth;
- an expected increase in net Franchise Sales from Net New Restaurants added to the Royalty Pool;
- the profitability and universality of the Boston Pizza concept allows for expansion into markets which would be unable to support other competing casual dining concepts;
- that Boston Pizza Restaurants will close for two to three weeks to complete a renovation and experience an incremental sales increase in the year following the re-opening; and
- the 2023 NCIB.

The forward-looking information disclosed herein is based on a number of assumptions including, among other things:

- accurate assumptions underlying commercial food service industry projections made by Restaurants Canada;
- the Fund maintaining the same distribution policy;
- absence of amendments to material contracts;
- no strategic changes of direction occurring;
- absence of changes in law;
- protection of BP Rights;
- pace of commercial real estate development;
- franchisees' access to financing;
- franchisees duly paying franchise fees and other amounts;
- no closures of Boston Pizza Restaurants that materially affect the amount of Royalty or Distribution Income paid by BPI and BP Canada LP, respectively, to the Fund;
- future results being similar to historical results;
- expectations related to future general economic conditions;
- management of BPI and BP Canada LP maintaining current strategies to drive higher guest traffic and higher average guest cheques;
- Boston Pizza Restaurants maintaining operational excellence;

- culinary innovation and menu re-pricing;
- continuing operations of key suppliers;
- availability of experienced management and hourly employees;
- ability to obtain qualified franchisees;
- accuracy of third-party forecasts;
- ability to open sufficient new Boston Pizza Restaurants to replace Franchise Sales of Closed Restaurants;
- ability to comply with disclosure obligations under franchise laws and regulations;
- ability to obtain adequate insurance coverage;
- ability to enter into arrangements with suppliers and distributors to generate competitive pricing for franchisees and revenue for BP Canada LP;
- ability to maintain a stable supply chain;
- ability to attract and retain sufficient numbers of qualified staff;
- ability to invest and incorporate new equipment and technology;
- to adapt to changes in operating environments and economic condition;
- no increases in SIFT Tax and sales tax rates;
- BPI and BP Canada LP's competitive strengths;
- the Fund having sufficient cash on hand to fund purchases under the 2023 NCIB;
- no breaches by the Fund, its subsidiaries, BPI or BPI's subsidiaries of any covenants in any material contract to which it is party; and
- COVID-19 and its related restrictions have largely been eliminated.

This forward-looking information involves a number of risks, uncertainties and future expectations including, but not limited to:

- competition;
- guest spending habits;
- guest confidence in the retail sector;
- household debt;
- weather;
- climate change;
- pricing;
- changes in demographic trends;
- changes in guest preferences and discretionary spending patterns;
- changes in national and local business and economic conditions;
- changes in the supply of agricultural products and raw materials;
- legislation and government regulation;
- cash distributions are not guaranteed;
- accounting policies and practices;
- the results of operations and financial conditions of BPI, BP Canada LP and the Fund;
- inflation;
- rising interest rates;
- publicity from any food borne illness;
- adverse effects of media and social media;
- increase in food, labour or benefits costs;
- higher menu prices and menu inflation;
- Boston Pizza Restaurant closures;
- debt of franchisees of BP Canada LP, including degree of debt leverage and interest rate risk;
- successful challenge of the BP Rights;
- inadequacy of insurance coverage;
- increases in the rate of SIFT Tax and sales tax;
- litigation against franchisees;
- inability to attract and retain key personnel;
- data security breaches and technological failures;

- global disruptions including geopolitical events, war or hostilities, terrorist or military activities, or natural disasters;
- pandemics and national health crises;
- the closure of Boston Pizza dining rooms and sports bars across Canada resulting in material declines to Franchise Sales and SRS; and
- declines in Franchise Sales and SRS resulting in significant declines to Royalty and Distribution Income payable to the Fund and significant declines in the Distributable Cash available to Unitholders.

The foregoing list of factors is not exhaustive and should be considered in conjunction with the risks and uncertainties set out above in “Risks & Uncertainties”.

This Annual Information Form discusses some of the factors that could cause actual results to differ materially from those expressed in or underlying such forward-looking information. Forward-looking information is provided as of the date hereof and, except as required by law, the Fund assumes no obligation to update or revise forward-looking information to reflect new events or circumstances.

SCHEDULE A – MANDATE OF 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. <u>Financial Reporting Control Systems</u>

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. <u>Interim Financial Statements and MD&A</u>

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. <u>Annual Financial Statements, MD&A and Other Financial Information</u>

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. <u>External Audit Terms of Reference, Reports, Planning and Appointment</u>

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 Committee of Management 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 Policy. More particularly, the Committee shall:

1. review minutes from Disclosure Committee of Management meetings;

2. discuss and review the Disclosure Committee of Management's annual self-evaluation and certification process of the design and effectiveness of the disclosure controls and procedures;

3. discuss with one or more members of the Disclosure Committee of Management at least annually the guidelines and policies with respect to financial, fraud and disclosure risk assessments; and

4. receive updates from the Disclosure Committee of Management 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.