



BOSTON PIZZA ROYALTIES INCOME FUND

ANNUAL INFORMATION FORM

For the year ended December 31, 2024

March 28, 2025

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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.

“2022 BPI Credit Facilities” has the meaning ascribed to it under “General Development of the Business – June 2022 and June 2024 Amendment to the BPI Credit Facilities and BPI GSA and Subsidiaries GSAs”.

“2022 Credit Facilities” has the meaning ascribed to it under “General Development of the Business – June 2022 and June 2024 Amendment to the Fund’s Credit Facilities”.

“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 expired on June 19, 2024, which permitted the Fund to repurchase for cancellation up to 400,000 Units.

“2024 Special Distribution” has the meaning ascribed to it under “Description of the Fund – Cash Distributions – Special Distributions”.

“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.

“Advertising Fund” means the fund administered by BP Canada LP that is used to promote the Boston Pizza brand through television, radio, digital, social media and otherwise, into which franchisees pay an amount equal to 3.0% of Franchise Sales.

“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 Prior Credit Facilities and 2022 Credit Facilities) to Holdings LP and Royalties LP, providing the BPI Credit Facilities (and who provided the Prior BPI Credit Facilities, 2022 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 Loans by BPI – 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 Loans by BPI – 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)

COLLÈGE 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)

LA COMMUNAUTÉ, NOTRE MISSION (Canadian application no. 2329159)

LA COMMUNAUTÉ, NOTRE MISSION & BP Design (one line) (Canadian application no. 2329155)

LA COMMUNAUTÉ, NOTRE MISSION & BP Design (stacked) (Canadian application no. 2329156)

LOOKING AFTER LOCAL (Canadian application no. 2329158)

LOOKING AFTER LOCAL & BP Design (one line) (Canadian application no. 2329157)

LOOKING AFTER LOCAL & BP Design (stacked) (Canadian application no. 2329154)

M Arrow Design (Canadian registration no. TMA1263130)

M Arrow Square Design (Canadian registration no. TMA1263128)

MonBP (Canadian registration no. TMA1008577)

MOSEY'S SOUTHERN BBQ (Canadian registration no. TMA1263131)

MOSEY'S SOUTHERN BBQ & Design (Canadian registration no. TMA1263129)

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

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

"BPI Credit Facilities" has the meaning ascribed to it under "General Development of the Business – June 2022 and June 2024 Amendment to the BPI Credit Facilities and BPI GSA and Subsidiaries GSAs".

"BPI Disclosures" has the meaning ascribed to it under "Authority and Role of the Board of Trustees of the Fund and the Board of Directors of Royalties GP".

"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.

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’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*.

“CDOR” has the meaning ascribed to it under “General Development of the Business – June 2022 and June 2024 Amendment to the Fund’s Credit Facilities”

“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,
 - (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.

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.

“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 Income 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”.

“CORRA” has the meaning ascribed to it under “General Development of the Business – June 2022 and June 2024 Amendment to the Fund’s Credit Facilities”.

“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 and June 2024 Amendment to the Fund’s Credit Facilities”.

“CSA” has the meaning ascribed to it under “General Development of the Business – June 2022 and June 2024 Amendment to the 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.

“Cybersecurity & Privacy Committee” has the meaning ascribed to it under “Description of the Business – Boston Pizza International Inc. and Boston Pizza Canada Limited Partnership – Technology, Information Systems, and Cybersecurity”.

“Declaration of Trust” means, at times on and after July 3, 2024, the Fourth Amended and Restated Declaration of Trust dated July 3, 2024 by which the Fund is governed, and at times prior to July 3, 2024, the applicable prior version of it.

“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 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

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, 2025 for the period and year ended December 31, 2024 (the **“2024 MD&A”**), and is incorporated by reference into this Annual Information Form. A copy of the 2024 MD&A is available on SEDAR+ at www.sedarplus.ca.

Facilities), or (b) in the event that the Fund pays cash in lieu of issuing Units in connection with any exercise 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 Loans by BPI – 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 Income 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 and June 2024 Amendment to the BPI Credit Facilities and 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.

“IBOR” has the meaning ascribed to it under “General Development of the Business – June 2022 and June 2024 Amendment to the Fund’s Credit Facilities”.

“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 Royalty Income.

“LP Units” means the ordinary limited partner units of Royalties LP.

“Mosey’s” has the meaning ascribed to it under “General Development of the Business – Virtual Brand”.

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

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.

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

“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 “Trustees, Directors and Officers of the Fund and Royalties GP – Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions”.

“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 pursuant to which they holistically addressed their financial challenges caused by COVID-19, 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. For additional details, see the Pandemic Recovery Plan Amendment Agreement and First Supplemental Credit Agreement, copies of which are available on SEDAR+ at www.sedarplus.ca.

“Permitted Debt Ratio” has the meaning ascribed to it under “License and Royalty – Guarantee and Security for Royalty Income – Negative Covenants”.

“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 “Description of Other Material Contracts – Governance Agreement – Right of First Offer (**“ROFO”**)”.

“ROFO Notice” has the meaning ascribed to it under “Description of Other Material Contracts – Governance Agreement – Right of First Offer (**“ROFO”**)”.

“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 Income” 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, including the obligation to pay Royalty Income.

“Royalty Pool” means, in any period, all Boston Pizza Restaurants whose Franchise Sales form the basis on which Royalty Income 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 – Royalty Income” 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

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

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. 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 SRS provides Unitholders meaningful information regarding the performance of Boston Pizza Restaurants.

“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”.

“Third Supplemental BPI Credit Agreement” means the Third Supplemental Credit Agreement dated June 14, 2024 between BPI and the Bank.

“Third Supplemental Credit Agreement” means the Third Supplemental Credit Agreement dated June 14, 2024 among the Bank, Royalties LP, Holdings LP, Royalties GP, Holdings GP, the Fund and the Trust.

“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.

“TPIL” has the meaning ascribed to it under “Description of the Business – Boston Pizza International Inc. and Boston Pizza Canada Limited Partnership – Treliving Private Investments Ltd.”.

“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.

“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.

“Virtual Brand Agreement” has the meaning ascribed to it under “General Development of the Business – Virtual Brand”.

“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 66²/₃% 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 March 28, 2025 unless otherwise indicated. All dollar amounts are stated in Canadian currency.

OVERVIEW AND CORPORATE STRUCTURE

Boston Pizza Royalties Income Fund

The Fund is a limited purpose open-ended trust established in July 2002 by the Declaration of Trust under the laws of the Province of British Columbia. 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 acquired the BP Rights indirectly through Royalties LP on July 17, 2002. The Units trade on the TSX under the symbol BPF.UN.

The Fund has no employees. It is governed by a Board of Trustees and is administered by Royalties LP pursuant to the Administration Agreement. See “Description of Other Material Contracts – Administration Agreement” and “Authority and Role of the Board of Trustees of the Fund and the Board of Directors of Royalties GP”.

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.

The Fund has the following two principal sources of revenue:

Royalty Income

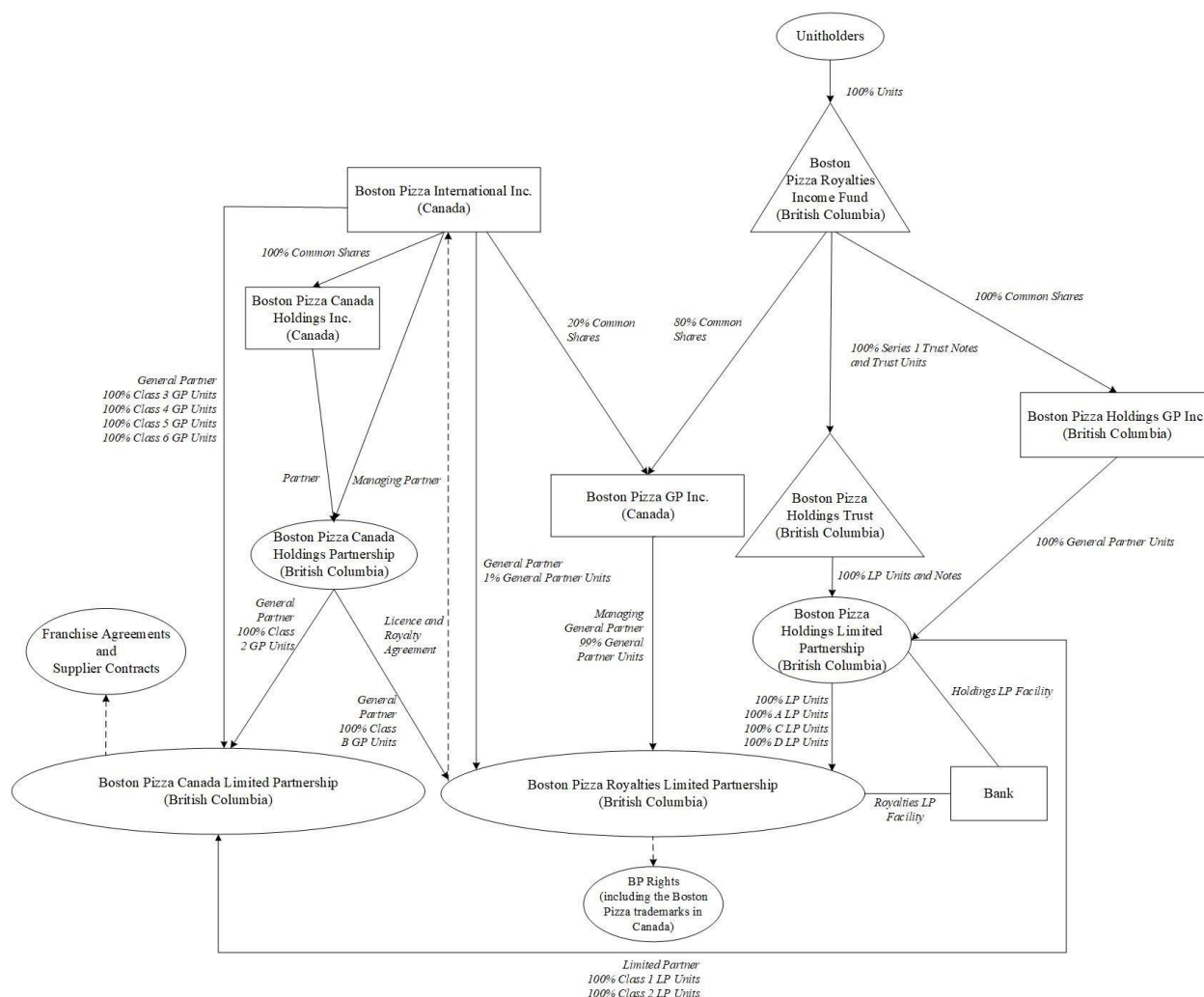
Royalties LP licenses the BP Rights to BPI in return for BPI paying Royalties LP Royalty Income, which is equal to 4.0% of Franchise Sales of those Boston Pizza Restaurants included in the Royalty Pool. See "License and Royalty".

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."

Intercorporate Relationships

The following chart illustrates, on a simplified basis, the corporate structure of the Fund, and the primary 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.:



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 “Description of Other Material Contracts – 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 Royalty Income to Royalties LP equal to 4.0% of Franchise Sales. See “License and Royalty”.

Royalties LP is the administrator of the Fund and its subsidiaries pursuant to the Administration Agreement. See “Description of Other Material Contracts – Administration Agreement” and “Authority and Role of the Board of Trustees of the Fund and the Board of Directors of Royalties GP”.

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 March 28, 2025, 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 March 28, 2025, 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.

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 Royalty Income 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. Royalty Income 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 Income and Distribution Income from the New Restaurants after subtracting Royalty Income and Distribution Income that is lost from the Closed Restaurants⁷ (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 Income 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 Income and Distribution Income expected to be generated by the New Restaurants less the actual Royalty Income 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

⁷ Royalty Income 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.

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 Income, 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 Income and Distribution Income expected to be generated by the New Restaurants being less than the actual Royalty Income 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 Income and Distribution Income from New Restaurants exceeds actual Royalty Income and Distribution Income lost from Closed Restaurants).

From 2022 to the present, the Royalty Pool has been adjusted from 387 to 383 restaurants on January 1, 2022, from 383 to 377 restaurants on January 1, 2023, from 377 to 372 restaurants on January 1, 2024 and remaining at 372 restaurants on January 1, 2025.

The adjustments to the Royalty Pool and the Additional Entitlements received by BPI since January 1, 2022 are as follows:

- January 1, 2022 Adjustment Date: 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 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. Since no New Restaurants were opened during 2021 nor added to the Royalty Pool on January 1, 2022, there was no need in early 2023 to conduct an audit to compare the actual Franchise Sales from New Restaurants that opened in 2021 to the estimated amount of Franchise Sales expected to be generated by these New Restaurants during 2022, nor any need to determine and adjust for the actual effective tax rate paid by the Fund for 2022.
- January 1, 2023 Adjustment Date: 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 2022 nor added to the Royalty Pool on January 1, 2023, there was no need to conduct an audit in

early 2024 to compare the actual Franchise Sales from New Restaurants that opened in 2022 to the estimated amount of Franchise Sales expected to be generated by these New Restaurants during 2023, nor any need to determine and adjust for the actual effective tax rate paid by the Fund for 2023.

- January 1, 2024 Adjustment Date: 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 was \$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. An adjustment was made to the Deficiency for 2023 in early 2025 based on the full year performance of the one New Restaurant that opened in 2023. As noted above, the original Franchise Sales expected to be generated from this one New Restaurant less the Franchise Sales from the six Boston Pizza Restaurants that closed in 2023 was negative \$7.5 million. The actual Franchise Sales generated from this one New Restaurant after subtracting the Franchise Sales from the six Boston Pizza Restaurants that closed in 2023 was \$0.4 million less. As a result, the Deficiency in respect of 2023 was increased slightly. Since there was still a Deficiency, there was no need to determine and adjust for the actual effective tax rate paid by the Fund for 2024.
- January 1, 2025 Adjustment Date: On January 1, 2025, the Royalty Pool was adjusted to add four New Restaurants that opened and remove four Closed Restaurants that closed between January 1, 2024 and December 31, 2024, resulting in the number of Boston Pizza Restaurants in the Royalty Pool remaining at 372. The estimated annual Franchise Sales in 2025 for the four New Restaurants that opened in 2024 was \$3.4 million. The actual Franchise Sales received from the four Closed Restaurants in 2024 during the first 12-month period immediately following their addition to the Royalty Pool was \$7.4 million. The resulting estimated annual net Franchise Sales for 2024 was negative \$4.0 million. Consequently, this resulted in the Net Royalty and Distribution Income having a Deficiency for 2024 of \$0.2 million (being 5.5% of negative \$4.0 million Franchise Sales). Since there was a Deficiency for 2024 of \$0.2 million, BPI did not receive any Additional Entitlements on January 1, 2025. However, BPI did not lose any of the Additional Entitlements it received in respect of previous years. In early 2026 an adjustment will be made to the Deficiency for 2024 based upon full year performance of the four New Restaurants that opened in 2024 compared to the estimated Franchise Sales of \$3.4 million.
- BPI will be required to make-up the cumulative Deficiency for 2020, 2021, 2022, 2023 and 2024 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	\$1.4 ^{††}	\$9.2	(\$7.9)	(\$0.4)
January 1, 2025	\$3.4 ^{†††}	\$7.4	(\$4.0)	(\$0.2)
Cumulative	\$7.9	\$48.1	(\$40.3)	(\$2.2)

* Figures are rounded to one decimal place. [†] Determined and adjusted in February 2022 after an audit of Franchise Sales for 2021 was performed on the New Restaurants. ^{††} Determined and adjusted in February 2025 after an audit of Franchise Sales for 2024 was performed on the New Restaurant. ^{†††} To be determined and adjusted in February 2026 after an audit of Franchise Sales for 2025 is performed on the four New Restaurants for 2024, with the corresponding net Franchise Sales and Deficiency in respect of the Adjustment Date of 2025 being amended accordingly.

Virtual Brand

Starting in August 2023, BPI and BP Canada LP, with the consent of Royalties LP, tested a new “virtual brand” called “Mosey’s Southern BBQ Sandwiches & More” (“**Mosey’s**”) in approximately 35 Boston Pizza Restaurants as part of the Boston Pizza system. Mosey’s features certain BBQ-style sandwiches, sides and accompaniments that are distinct from the core Boston Pizza menu and can only be ordered and delivered via third-party delivery apps. Mosey’s is designed to utilize surplus kitchen capacity at Boston Pizza Restaurants and provide incremental sales. All sales that were generated from Mosey’s have been included in Franchise Sales, and BPI and BP Canada LP paid the Fund Royalty Income and Distribution Income on those sales.

Based upon favourable test results, BPI, BP Canada LP and Royalties LP entered into a Virtual Brand Agreement on October 1, 2024 (the “**Virtual Brand Agreement**”) to formally make Mosey’s part of the Boston Pizza system. The key elements of the Virtual Brand Agreement are as follows: (i) the menu for Mosey’s must be approved by Royalties LP and must be distinct from the core Boston Pizza menu offerings; (ii) Mosey’s will be available for order and delivery exclusively on third-party delivery apps (such as DoorDash, Uber Eats and Skip-the-Dishes) and will be prepared at Boston Pizza Restaurants determined by BPI and BP Canada LP; (iii) Royalties LP will own the trademarks associated with Mosey’s and such trademarks will be treated as being part of the BP Rights for the purposes of the License and Royalty Agreement; (iv) sales generated by Mosey’s will be Franchise Sales upon which the applicable franchisees of BP Canada LP must pay royalty and upon which BPI and BP Canada LP must pay the Fund Royalty Income and Distribution Income; and (v) BPI and BP Canada LP will operate Mosey’s in a manner that could not reasonably be expected to cause damage to the Boston Pizza brand. Full particulars of this arrangement are contained within the Virtual Brand Agreement, a copy of which is available on SEDAR+ at www.sedarplus.ca.

2024 Amendments to the Fund’s Declaration of Trust

The Trustees entered into the Fourth Amended and Restated Declaration of Trust, which amended and restated the Amended and Restated Declaration of Trust dated December 7, 2010 that previously governed the Fund, after it was approved by a Voting Unitholders’ Special Resolution at the Fund’s 2024 Annual General and Special Meeting. The principal amendments effected by the Fourth Amended and Restated Declaration of Trust were as follows:

1. the addition of an advance notice policy, which is intended to give the Fund and Unitholders sufficient time to consider any proposed nominee for election as a Trustee;

2. revisions to incorporate BP Canada LP into the Declaration of Trust to account for issuances of exchange rights in connection with the BP Canada GP Units in a manner similar to provisions for Class B Units;
3. the addition of provisions to permit virtual or hybrid meetings of Voting Unitholders; and
4. certain other housekeeping and minor amendments.

For more details, see the Fourth Amended and Restated Declaration of Trust and the Management Information Circular dated April 25, 2024, copies of which are available on SEDAR+ at www.sedarplus.ca.

June 2022 and June 2024 Amendment to the Fund's Credit Facilities

2022 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 "**2022 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 was 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 was 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 2022 Credit Facilities remained unchanged from those existing immediately prior to the Second Supplemental Credit Agreement.

2024 Amendment to the Fund's Credit Facilities

In 2024, a fundamental reform of major interest rate benchmarks was undertaken globally, including the replacement of some interbank offered rates ("**IBOR**") with alternative rates. On June 28, 2024, the administrator, Refinitiv Benchmark Services UK Limited, ceased publication of the Canadian Dollar Offered Rate ("**CDOR**"). The Fund's IBOR exposure was indexed to CDOR prior to June 14, 2024.

To address the cessation of CDOR being published, Holdings LP, Royalties LP and the Bank entered into the Third Supplemental Credit Agreement to amend the 2022 Credit Facilities to replace the current rates that are based upon CDOR with corresponding rates that are based upon the Canadian Overnight Repo Rate Average (“**CORRA**”). The material modifications to the 2022 Credit Facilities were as follows (the 2022 Credit Facilities, as amended by the Third Supplemental Credit Agreement, the “**Credit Facilities**”):

1. The availment options were amended to eliminate banker’s acceptance and CDOR loans and to add in daily compounded CORRA loans and term CORRA loans as availment options, in each case with either a one-month or three-month interest period. Accordingly, the Fund may now borrow funds under the Credit Facilities via Canadian prime rate loans, daily compounded CORRA loans and term CORRA loans;
2. Provisions were added to stipulate how CORRA loan rates are determined, how interest is calculated when interest is payable, and other related matters;
3. Provisions were added to define what happens if CORRA ceases to be published in the future and how an alternative IBOR would be selected;
4. Provisions were added to clarify that any banker’s acceptance loans made prior to June 14, 2024 will continue to be governed by the provisions governing the Credit Agreement as amended by the First Supplemental Credit Agreement and Second Supplemental Credit Agreement; and
5. Provisions were added to address how CDOR loans were transitioned to CORRA loans.

The Third Supplemental Credit Agreement did not amend the margins applicable to loans but rather clarified that the margins previously applicable to banker’s acceptance and CDOR loans now apply to CORRA loans. However, it added a credit spread adjustment (the “**CSA**”) of either 0.29547% or 0.32138% depending upon whether the CORRA loan has a one-month or three-month interest period, respectively. Accordingly, the Credit Facilities now 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 CORRA loans, the interest rate is equal to: (i) CORRA; plus (ii) the applicable CSA; plus (iii) between 1.25% and 1.85% (depending on the Fund’s Total Funded Net Debt to EBITDA ratio). The Fund determined that the transition from CDOR to CORRA did not result in a material change in the Fund’s cost of borrowing under the Credit Facilities.

A copy of the Credit Agreement, First Supplemental Credit Agreement, Second Supplemental Credit Agreement and Third Supplemental Credit Agreement are available on SEDAR+ at www.sedarplus.ca. See “Credit Facilities” for more details on the Credit Facilities.

June 2022 and June 2024 Amendment to the BPI Credit Facilities and BPI GSA and Subsidiaries GSAs

2022 Amendment to the BPI 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 “**2022 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 avancement option selected. In the case of Canadian prime rate loans, the interest rate was 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 was 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 Units⁸ 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 2022 BPI Credit Facilities remained unchanged from those existing immediately prior to the Second Supplemental Credit Agreement.

2022 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 (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 Income and Distribution Income, commencing the fiscal year for 2023;
4. Requiring that BPI's Permitted Debt Ratio not exceed 3.00:1; and

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

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 Royalty Income" for more details on the security BPI and BPI's Subsidiaries have granted in favour of Royalties LP.

2024 Amendment to the BPI Credit Facilities

To address the cessation of CDOR being published, BPI and the Bank entered into the Third Supplemental BPI Credit Agreement to amend the 2022 BPI Credit Facilities to replace the current rates that are based upon CDOR with corresponding rates that are based upon CORRA. The material modifications to the 2022 BPI Credit Facilities were as follows (the 2022 BPI Credit Facilities, as amended by the Third Supplemental BPI Credit Agreement, the "**BPI Credit Facilities**"):

1. The availment options were amended to eliminate banker's acceptance and CDOR loans and to add in daily compounded CORRA loans and term CORRA loans as availment options, in each case with either a one-month or three-month interest period. Accordingly, BPI may now borrow funds under the BPI Credit Facilities via Canadian prime rate loans, daily compounded CORRA loans and term CORRA loans;
2. Provisions were added to stipulate how CORRA loan rates are determined, how interest is calculated when interest is payable, and other related matters;
3. Provisions were added to define what happens if CORRA ceases to be published in the future and how an alternative IBOR would be selected;
4. Provisions were added to clarify that any banker's acceptance loans made prior to June 14, 2024 will continue to be governed by the provisions governing the BPI Credit Agreement as amended by the First Supplemental BPI Credit Agreement and the Second Supplemental BPI Credit Agreement; and
5. Provisions were added to address how CDOR loans were transitioned to CORRA loans.

The Third Supplemental BPI Credit Agreement did not amend the margins applicable to loans but rather clarified that the margins previously applicable to banker's acceptance and CDOR loans now apply to CORRA loans. However, it added a CSA of either 0.29547% or 0.32138% depending upon whether the CORRA loan has a one-month or three-month interest period, respectively. Accordingly, the BPI Credit Facilities now bear interest at variable interest rates as selected by BPI. In the case of Canadian prime rate loans, the interest rate is equal to the Bank's prime rate plus between 0.00% and 0.90% (depending on BPI's Total Funded Net Debt to EBITDA ratio) and, in the case of CORRA loans, the interest rate is equal to: (i) CORRA; plus (ii) the applicable CSA; plus (iii) between 1.25% and 2.10% (depending on BPI's Total Funded Net Debt to EBITDA ratio). BPI determined that the transition from CDOR to CORRA did not result in a material change in BPI's cost of borrowing under the BPI Credit Facilities.

See the "Description of the Business – BPI Credit Facilities" for more details on the BPI Credit Facilities.

2023 Normal Course Issuer Bid

On June 15, 2023, the Fund received TSX approval of the 2023 NCIB. The 2023 NCIB permitted 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 and all such Units were cancelled. 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. The 2023 NCIB expired on June 19, 2024.

\$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, 2024, there was \$10.0 million outstanding on the Term Loan.

Repayment of Loans by BPI

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.

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 and in conjunction with the Pandemic Recovery Plan Amendment Agreement, 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**") in conjunction with the Pandemic Recovery Plan Amendment Agreement. 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.

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.

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.

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.

Neither the Fund nor any of its subsidiaries has employees. Rather, the Fund relies upon Royalties LP as its administrator to perform most of its day-to-day functions. See “Description of Other Material Contracts – Administration Agreement”.

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 Royalty Income 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 “Description of Other Material Contracts – Administration Agreement”.

While Royalties LP is the legal administrator of the Fund and its subsidiaries through the Administration Agreement, it has no employees. Royalties LP is governed by the board of directors of its managing general partner, Royalties GP. Royalties LP relies upon BPI, as its general partner, to perform its day-to-day activities, including its obligations under the Administration Agreement. See “Description of Other Material Contracts – Administration Agreement” and “Authority and Role of the Board of Trustees of the Fund and the Board of Directors of Royalties GP”.

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;
- (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;
- (c) The Fund's subsidiary, Royalties LP, is entitled to receive Royalty Income from BPI; and
- (d) The Fund and its subsidiaries rely on BPI's management, systems and internal control processes for the performance of its day-to-day management and administration functions through the Administration Agreement and the Royalties Limited Partnership Agreement.

A key attribute of the Fund's structure is the fact that it is a "top-line" fund. Royalty Income 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, the foodservice industry is projected to reach nearly \$120 billion in 2024 (once data is available), representing a 4.9% increase over 2023.⁹ However, when adjusted for menu inflation at 4.2%, real foodservice sales are expected to grow by just 0.7%. This slower growth reflects weaker economic conditions, elevated household debt, and the rising cost of living.⁹ Despite the challenges, Canadians continue to enjoy dining out, with 45% of Canadians purchasing food from a restaurant at least once a week.⁹ Still, the restaurant industry's economic output remains 9% below 2019 levels, even with higher revenues in recent years.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:

⁹ Restaurants Canada's Foodservice Facts 2024 periodical.

Restaurant Segment	Average Cheque Amount Per Person as of Jan - May 2024 ⁹	Characteristics	Examples
Quick Service	\$8.14	<ul style="list-style-type: none"> • Counter service • Usually specializes in one type of food • Emphasis on takeout and delivery • Some drive-through service 	<ul style="list-style-type: none"> • A&W • KFC • McDonald's • Tim Horton's
Family Dining	\$15.60	<ul style="list-style-type: none"> • Table or self-service • Usually specializes in one type of food • May be takeout service 	<ul style="list-style-type: none"> • Denny's • St. Hubert • Swiss Chalet
Casual Dining	\$21.32	<ul style="list-style-type: none"> • Full table service • Themed atmosphere • Generally limited takeout 	<ul style="list-style-type: none"> • Boston Pizza • Earl's • Cactus Club • East Side Mario's • Kelsey's • Montana's • The Keg • Original Joe's
Fine Dining	\$53.14	<ul style="list-style-type: none"> • Extensive table service • Formal table settings 	<ul style="list-style-type: none"> • Morton's • Various independents

According to Restaurants Canada, guests are more value-conscious than ever, with the psychological impact of sticker shock outweighing other economic factors.⁹ Between 2019 and 2023, menu prices rose by 20%, closely mirroring the 19% growth in Canadians' median weekly earnings.⁹ However, the average cheque size increased by only 11.5% during the same period, reflecting a growing emphasis on spending restraint.⁹

While restaurant spending is projected to increase in 2024, Canadians are tightening their belts, spending less per person than in 2023 when adjusted for inflation and population growth.⁹ Despite gains between 2021 and 2023, spending remains below pre-pandemic levels.⁹

A major obstacle to recovery in consumer spending is Canada's record-high household debt, the highest among G7 nations.⁹ As of Q1 2024, Canadians owed \$1.87 for every dollar of income. This high debt burden, combined with elevated interest rates and slower income growth anticipated in the year ahead, is expected to weigh on consumer spending in the near term.⁹

Trends in the Foodservice Industry

On and Off Premise Trends – Restaurants Canada reports that on-premises dining continued its recovery in the first five months of 2024. Compared to the same period in 2023, on-premises traffic increased by 8.2% at quick-service restaurants and 5.2% at full-service restaurants.⁹ While delivery surged as a trend during the pandemic, it has since slowed significantly at full-service restaurants. In 2023, delivery orders dropped 20.0% compared to 2022 as more guests returned to dine in person. This decline continued into early 2024, with delivery orders falling an additional 6.5% compared to the same period in 2023. Despite

this, delivery still represents a larger share of full-service restaurant traffic than it did in 2019.⁹ Notably, on-premises traffic surpassed drive-thru traffic for the first time since the pandemic in 2023, a trend that continued into 2024.⁹ In the first five months of the year, on-premises dining rose by 8.2%, while drive-thru visits declined by 8.8%.⁹

Daypart Shift – According to Restaurants Canada, morning meals and snacks drive the highest traffic to quick-service restaurants, but lunch generates the most revenue. In full-service restaurants, supper takes the lead, accounting for 41% of visits and 53% of dollars spent.⁹ The shift to remote work has significantly affected the lunch daypart, with traffic at both full-service and quick-service restaurants still below 2019 levels. After strong gains in 2023, lunch traffic declined in early 2024, dropping 2.0% at full-service restaurants and 1.2% at quick-service locations during the first five months. Meanwhile, morning meals and PM snacks have steadily gained market share in recent years.⁹

Technology in Restaurants – According to Restaurants Canada, integrating technology can enhance efficiency, boost productivity, and provide a competitive edge. However, the types of technology guests prefer vary widely by age and restaurant segment. Younger guests tend to embrace technology more readily than older patrons, making it crucial for restaurateurs to understand their audience's specific needs to deliver an exceptional experience.⁹ Adopting technology is increasingly essential to meet guests' growing expectations for speed, efficiency, and accuracy. However, it must be implemented without compromising the quality of service that defines the restaurant experience.⁹ A Restaurants Canada survey revealed that the technologies most desired by Canadians include detailed menu information, streamlined reservations, faster and easier ordering and payment options, advance ordering, and mobile app-based services.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 March 28, 2025, 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 23.3% of total sales across the chain in 2024 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.

Mosey’s – As previously noted, BPI and BP Canada LP recently launched Mosey’s as a “virtual brand”. Mosey’s features certain BBQ-style sandwiches, sides and accompaniments that are distinct from the core Boston Pizza menu and can only be ordered and delivered via third-party delivery apps. Mosey’s is designed to utilize surplus kitchen capacity at Boston Pizza Restaurants and provide incremental sales.

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 three other officers. The names and positions of the directors and officers of BPI are as follows:

<u>Name</u>	<u>Position</u>
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
Felix Decata	Senior Vice President, National Development
Bernie Ip	Senior Vice President, Business Technology
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 nearly \$40 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 March 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, 2024, BPI had 163 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 Chief Executive Officer of TPIL. Ms. Treliving's role as Chief Executive Officer of TPIL is, among other things, to assist Mr. Treliving, as the sole director of BPI, determine and oversee the overall strategy for BPI and execution by BPI's management of the same. To that end, Ms. Treliving regularly liaises with the President of BPI and other senior management personnel at BPI regarding significant matters affecting the Boston Pizza business. Mr. Brad Hallwood is the Chief Investment and Operations Officer of TPIL and assists Ms. Treliving in fulfilling her duties. 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 five 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 sustainably 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 works closely with Boston Pizza's Operations Excellence team on food execution and heart of house standards, ensuring that all new food and beverage items are operationally sound and consistently executable in all Boston Pizza Restaurants across the system. 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.

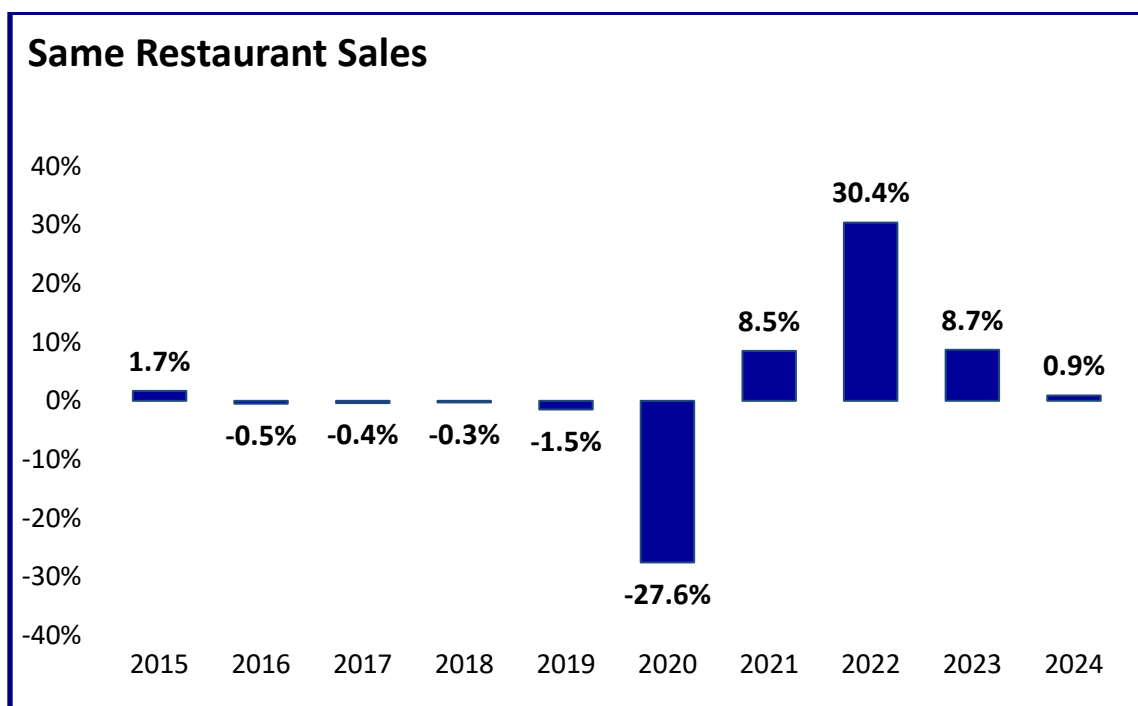
- Broad Demographic Appeal – Boston Pizza Restaurants operate within three distinct channels of the full-service restaurant segment; as a casual dining restaurant, as a sports bar, and in the takeout and delivery channel. The breadth of the Boston Pizza concept means that the typical Boston Pizza Restaurant 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

BPI 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 2015 to 2024. 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, 2024.



- Gross Sales per Restaurant¹⁰ – The following chart shows average annual Gross Sales per Boston Pizza Restaurant over the last 10 years ended December 31, 2024 (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.

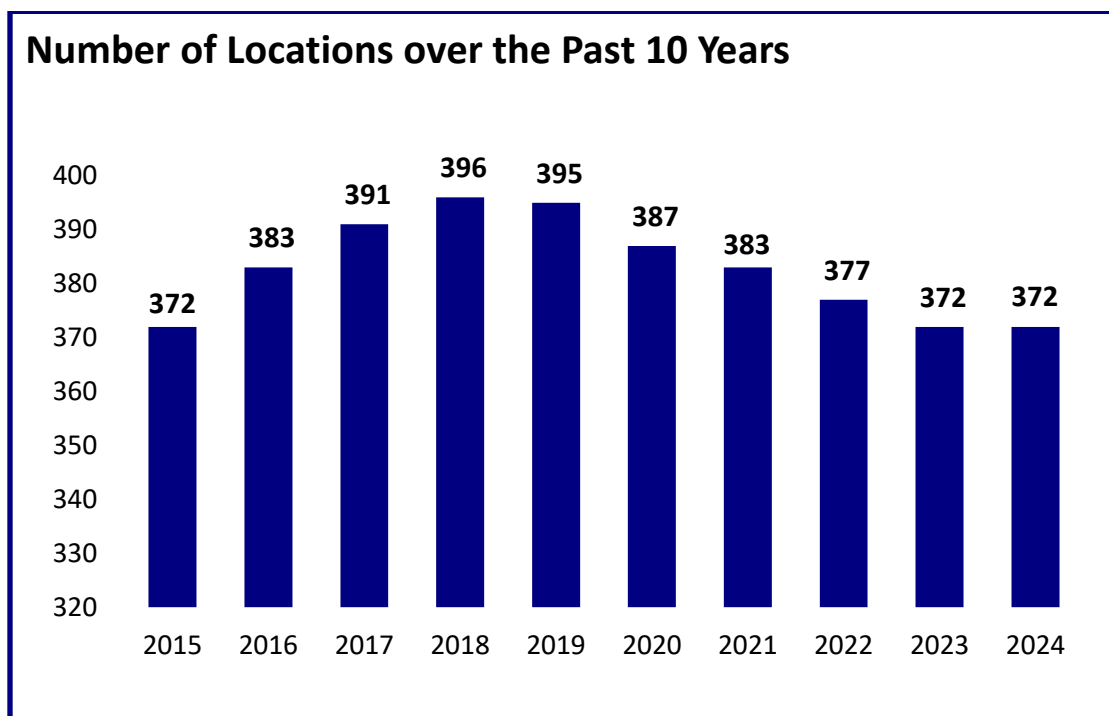
Annual Gross Sales Per Location (in millions)



- Growth in New Restaurants** – While economic uncertainty has resulted in slowed growth of new Boston Pizza Restaurants, BP Canada LP currently has commitments from a number of 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 and pursue the development of smaller footprint restaurants, such as within hotels, in locations that would not otherwise accommodate traditionally-sized Boston Pizza Restaurants. As at December 31, 2024, BP Canada LP held five deposits for new Boston Pizza Restaurants in Western Canada, one deposit for new Boston Pizza Restaurants in Eastern Canada and one deposit for new Boston Pizza Restaurants in Québec. As at December 31, 2024, there were 372 Boston Pizza Restaurants. The following is a summary of Boston Pizza Restaurants by province as at December 31, 2024:

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	111
Prince Edward Island	1
Québec	30
Saskatchewan	23
TOTAL	372

The following chart shows the total number of Boston Pizza Restaurants in existence during the last 10 years ended December 31, 2024:



Technology, Information Systems, and Cybersecurity

BPI, BP Canada LP and Boston Pizza franchisees rely heavily upon information technology systems, including point-of-sale processing systems, in Boston Pizza Restaurants. These systems are essential for managing their supply chain, fulfilling payment obligations, processing cash, credit and debit card transactions, and handling other critical tasks, including the receiving and fulfilling of guests' orders at Boston Pizza Restaurants. BPI's, BP Canada LP's and Boston Pizza Restaurants' ability to efficiently and effectively manage their business depends significantly on the reliability, capacity, and security of these systems.

The Fund also relies solely upon information technology systems, including relying upon the systems described above for accurate tracking and reporting of Franchise Sales. However, the Fund does not operate or maintain its own information technology systems. Rather, BPI provides information technology system services to the Fund and its subsidiaries on behalf of Royalties LP under the Administration Agreement and the Royalties Limited Partnership Agreement. See "Description of Other Material Contracts – Administration Agreement" and "Authority and Role of the Board of Trustees of the Fund and the Board of Directors of Royalties GP".

BPI recognizes the growing and strategic importance of technology to the Boston Pizza business. BPI's board of directors and senior management are responsible for overseeing the development and implementation of effective technology strategy and policy for BPI, BP Canada LP, and Boston Pizza Restaurants and the Fund. BPI has a dedicated Senior Vice President of Business Technology on its Executive Team, which highlights the vital role of IT in shaping the future, especially enhancing guest experiences and supporting employees in Boston Pizza Restaurants. BPI and BP Canada LP have developed a long-term technology roadmap to guide the ethical development, procurement and use of technology throughout the Boston Pizza system. BPI and BP Canada LP are constantly evaluating new technologies with a view to balancing enhanced guest experiences, increased efficiencies, capital investment, security and ethical considerations. BPI also has relationships with industry-leading technology suppliers who provide advice to BPI on emerging technology trends within the restaurant industry. Before

adopting any new technology, BPI thoroughly tests them in a laboratory environment to evaluate their reliability and performance. Any technology that is shortlisted for implementation is further tested in select Boston Pizza Restaurants prior to be deployed throughout the Boston Pizza system to ensure that it is reliable, performs adequately and is sufficiently secure. BPI also maintains policies regarding safe and responsible use of technology.

BPI's board of directors and senior management are also responsible for effective oversight of the related technology and cybersecurity risks. To assist them in so doing, BPI has created an internal Cybersecurity & Privacy Committee whose role is to identify information technology security risks and create policies, processes and best practices to effectively manage and mitigate such risks (the "**Cybersecurity & Privacy Committee**"). This Committee is chaired by BPI's Senior Vice President, Business Technology, who reports directly to BPI's President.

In addition to BPI's Cybersecurity & Privacy Committee, BPI has an experienced and dedicated information technology team that develops and implements strategy for, and manages BPI's information technology systems, including the systems utilized by the Fund. BPI and BP Canada LP have developed a comprehensive cybersecurity strategy that is designed to protect their information technology systems from malicious attacks, unavailability, and security breaches, and which is regularly reviewed and tested. In addition to having in-house cybersecurity expertise, BPI engages with external industry-leading cybersecurity experts to regularly conduct security assessments and penetration testing to expose any security vulnerabilities so that they may be remediated, in addition to providing BPI with ongoing advice on best practices, threat intelligence and training. All core information technology systems that power the operations of BPI, BP Canada LP, Boston Pizza Restaurants and the Fund are centrally managed by BPI. All systems relating to the processing of credit and debit card transactions by Boston Pizza Restaurants are required to be compliant with the applicable Payment Card Industry Data Security Standards and Boston Pizza Restaurants are tested annually.

Without limiting the foregoing, 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.

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 Income, Distribution Income and Distributable Cash available for distribution to Unitholders, are dependent upon many economic factors. In 2023 and 2024, Boston Pizza Restaurants were challenged, among other things, by impacts of inflation, increases in interest rates, rising input costs, decreased labour availability and changes in consumer demand, some of which impact guest visitation frequencies and

guests' willingness to accept price increases. However, despite these challenges, Boston Pizza Restaurants have been able to generate solid Franchise Sales and offer value-based 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 "Risks & Risk Management".

BPI Credit Facilities

BPI Credit Facilities

The BPI Credit Facilities with the Bank are in the amount of up to \$20.0 million (originally \$43.3 million) that expire on July 1, 2026. The BPI Credit Facilities are comprised of: (i) a \$10.0 million committed revolving facility to cover BPI's day-to-day operating requirements if needed (the "**Operating Line**"); and (ii) a \$10.0 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 as selected by BPI. In the case of Canadian prime rate loans, the interest rate is equal to the Bank's prime rate plus between 0.00% and 0.90% (depending on BPI's Total Funded Net Debt to EBITDA ratio) and, in the case of CORRA loans, the interest rate is equal to: (i) CORRA; plus (ii) a CSA of either 0.29547% or 0.32138% depending upon whether the CORRA loan has a one-month or three-month interest period, respectively; plus (iii) between 1.25% and 2.10% (depending on 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. 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 payments of \$0.4 million.

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 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 Credit Facilities. In addition, the BPI Credit Agreement, as amended by the First Supplemental BPI Credit Agreement, the Second Supplemental BPI Credit Agreement and the Third Supplemental BPI 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 Credit Facilities prior to maturity. BPI was in compliance with all of its financial covenants and financial condition tests as at December 31, 2024. As of December 31, 2024, no amount was drawn on the Operating Line and \$10.0 million was outstanding on the Term Loan.

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".

Royalty Income

As consideration for the License, BPI pays Royalties LP on a monthly basis Royalty Income equal to 4.0% of Franchise Sales for all Boston Pizza Restaurants included in the Royalty Pool. The amount of Royalty Income 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 Royalty Income is to be paid at such time. As of March 28, 2025, there are 372 Boston Pizza Restaurants in the Royalty Pool. For the purposes of determining the amount of Royalty Income 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 Income 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 Royalty Income 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 Royalty Income 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 Royalty Income

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 Income 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 Royalty Income

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 Royalty Income) 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 Royalty Income 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 Royalty Income 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 Royalty Income 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 Income by paying Royalties LP the present value at that time, of the Royalty Income over the remaining term of the License and Royalty Agreement. The present value of

Royalty Income over the remaining term of the License Agreement will be calculated in accordance with the methodology specified in the License and Royalty Agreement.

Until Royalty Income 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 Royalty Income 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 March 28, 2025, 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 Income 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, including information technology systems and related cybersecurity; 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 “Description of Other Material Contracts – 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 March 28, 2025, 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 a 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 a 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 a 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 specialties, 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 a 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 and bank guarantees);
- (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, the Royalties Exchange Agreement and the BP Canada 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 March 28, 2025, 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 “Trustees,

Directors and Officers of the Fund and Royalties GP” 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 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. On December 9, 2024, the Trustees of the Fund declared a special cash distribution to Unitholders of \$0.075 per Unit (the “**2024 Special Distribution**”). The 2024 Special Distribution was paid on December 31, 2024 to Unitholders of record at the close of business on December 21, 2024. In deciding to declare the 2022 Special Distribution, and 2024 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 2022 or 2024.

The declarations of the 2022 Special Distribution and 2024 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 2022 Special Distribution and 2024 Special Distribution was appropriate given the performance of the Boston Pizza system and the Fund's growing cash balances. The Trustees closely monitor the Fund's available cash balances and distribution levels to maintain a stable and sustainable return for Unitholders.

Monthly Distributions

The following is a summary of the amount of cash distributions per Unit for the financial years ended 2024, 2023 and 2022:

	CASH DISTRIBUTIONS					
	2024 January to December Distributions		2023 January to December Distributions		2022 January to December Distributions	
	Payment Date	Amount	Payment Date	Amount	Payment Date	Amount
January	February 29, 2024	11.3¢	February 28, 2023	10.2¢	February 28, 2022	8.5¢
February	March 29, 2024	11.3¢	March 31, 2023	10.2¢	March 31, 2022	8.5¢
March	April 30, 2024	11.3¢	April 28, 2023	10.7¢	April 29, 2022	8.5¢
April	May 31, 2024	11.3¢	May 31, 2023	10.7¢	May 31, 2022	8.5¢
May	June 28, 2024	11.3¢	June 30, 2023	10.7¢	June 30, 2022	8.5¢
June	July 31, 2024	11.3¢	July 31, 2023	10.7¢	July 29, 2022	8.5¢
July	August 30, 2024	11.3¢	August 31, 2023	10.7¢	August 31, 2022	10.0¢
August	September 27, 2024	11.3¢	September 29, 2023	10.7¢	September 29, 2022	10.0¢
September	October 31, 2024	11.3¢	October 31, 2023	10.7¢	October 31, 2022	10.0¢
October	November 29, 2024	11.3¢	November 30, 2023	10.7¢	November 30, 2022	10.0¢
November	December 31, 2024	11.5¢	December 29, 2023	10.7¢	December 30, 2022	10.2¢
December	January 31, 2025	11.5¢	January 31, 2024	10.7¢	January 31, 2023	10.2¢
Special Distribution	December 31, 2024	7.5¢	N/A	---	December 30, 2022	8.5¢

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. When determining monthly distributions, the Trustees consider, among other factors, the most recent financial performance of the Fund, BPI, and Boston Pizza Restaurants in the Royalty Pool, the Fund's cash position and debt payment obligations, and internal financial projections for the Fund, BPI, and Boston Pizza Restaurants in the Royalty Pool. Distributions are set at a level to maintain consistent sustainable returns to Unitholders. Distributions in respect of each month are paid on the last business 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 5% 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.

Meeting of Voting Unitholders may be held in person or may be held partially or entirely by means of a telephonic, electronic or other communication facility. 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 (determined on a fully-diluted basis). 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 (determined on a fully-diluted basis) 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 (determined on a fully-diluted basis) 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, 2024, 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 CORRA loans, the interest rate is equal to: (i) CORRA; plus (ii) a CSA of either 0.29547% or 0.32138% depending upon whether the CORRA loan has a one-month or three-month interest period; plus (iii) 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 2.28% plus between 1.25% and 1.85% per annum (depending upon 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;
- (b) 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 Total Funded Net 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;
- (c) Royalties LP entered into a swap to fix the interest rate at 3.48% plus the applicable CSA plus between 1.25% and 1.85% per annum (depending upon Total Funded Net Debt to EBITDA ratios) for a term ending on July 3, 2029 for \$15.0 million of the \$53.3 million drawn on Facility B;
- (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 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 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, 2024, \$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 financial covenants of the Credit Facilities are that: (a) the Fund and its subsidiaries (including Holdings LP and Royalties LP), taken as a whole, will maintain a Total Funded Net Debt to EBITDA ratio of not greater than 2.50:1 upon closing and until December 30, 2024 and not greater than 2.25:1 thereafter (tested quarterly); and (b) the total amount of certain permitted distributions of the Fund (including distributions to Unitholders) must not exceed the sum of: (i) Facility Distributable Cash (defined below), and (ii) 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.

The Credit Agreement, as amended by the First Supplemental Credit Agreement, Second Supplemental Credit Agreement and Third 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.

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.

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

ANNUAL ADJUSTMENT TO ROYALTY POOL

General

The amount of Royalty Income 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 Royalty Income 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 Income and Distribution Income expected to be generated by the New Restaurants being less than the actual Royalty Income 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 Income and Distribution Income from New Restaurants exceeds actual Royalty Income and Distribution Income lost from Closed Restaurants). As at March 28, 2025, a \$2.2 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 Royalty Income 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 Exchange 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 indemnify 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.

Administration Agreement

Under the Administration Agreement, Royalties LP is obligated to provide or arrange for the provision of administrative services to the Fund and its subsidiaries. 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 and its subsidiaries and no fee is payable to Royalties LP for the services provided by it to the Fund and its subsidiaries under the Administration Agreement. Pursuant to the Royalties Limited Partnership Agreement, BPI, as general partner of Royalties LP, is responsible for performing most of Royalties LP's obligations under the Administration Agreement.

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.

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.

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, 2024:

<u>MONTH</u>	<u>OPEN</u>	<u>HIGH</u>	<u>LOW</u>	<u>CLOSE</u>	<u>TOTAL MONTH VOLUME TRADED</u>
January 2024	\$15.26	\$15.76	\$15.11	\$15.46	623,365
February 2024	\$15.51	\$15.74	\$15.24	\$15.62	581,062
March 2024	\$15.59	\$15.89	\$15.57	\$15.72	494,531
April 2024	\$15.72	\$15.87	\$15.51	\$15.72	605,620
May 2024	\$15.69	\$16.00	\$15.61	\$15.78	702,315
June 2024	\$15.79	\$16.25	\$15.67	\$15.99	836,696
July 2024	\$16.02	\$16.81	\$15.85	\$16.58	833,147
August 2024	\$16.59	\$17.22	\$15.69	\$16.90	879,926
September 2024	\$16.85	\$17.92	\$16.69	\$17.55	890,274
October 2024	\$17.58	\$18.10	\$17.29	\$17.33	805,498
November 2024	\$17.38	\$17.76	\$17.30	\$17.44	941,353
December 2024	\$17.38	\$17.87	\$17.33	\$17.48	791,054

AUTHORITY AND ROLE OF THE BOARD OF TRUSTEES OF THE FUND AND THE BOARD OF DIRECTORS OF ROYALTIES GP

Under the Declaration of Trust, the Trustees are responsible for supervising the activities and investments of the Fund, and to conduct the affairs of the Fund.

The Fund does not have any employees or officers. The Fund has delegated the day-to-day management and administration of the business of the Fund to Royalties LP, through the Administration Agreement. Any powers or authority not delegated remain with the Trustees.

While Royalties LP is the legal administrator of the Fund and its subsidiaries through the Administration Agreement, it has no employees. Royalties LP is governed by the board of directors of its managing general partner, Royalties GP. As previously noted, Royalties GP is vested with the general power and authority to manage the business and affairs of Royalties LP, including all authority necessary or incidental to carry out the objects, purposes and business of Royalties LP. However, under the Royalties Limited Partnership Agreement, the responsibility to perform Royalties LP's obligations under the Administration Agreement has been delegated to BPI as Royalties LP's general partner. See "Description of Royalties LP – Functions and Powers of Royalties GP and BPI" and "Description of Other Material Contracts – Administration Agreement".

The actions and performance of Royalties LP under the Administration Agreement are subject, among other things, to the direction of the Trustees. The Trustees also receive reports and make appropriate inquiries regarding the systems, processes and internal controls used by BPI to carry out, on behalf of Royalties LP under the Administration Agreement, the preparation of the Fund's financial reporting and related public disclosures upon which the Fund relies.

The Trustees are also responsible for overseeing information technology security risks affecting the Fund. However, the Fund does not operate or maintain its own information technology systems. The Fund relies solely upon BPI's information technology systems, including point-of-sale processing systems, in Boston Pizza Restaurants, for accurate tracking and reporting of Franchise Sales. BPI provides information technology system services to the Fund and its subsidiaries on behalf of Royalties LP under the Administration Agreement and the Royalties Limited Partnership Agreement. Senior management of BPI's Cybersecurity and Privacy Committee provide quarterly updates to the board of directors of BPI, the board of directors of Royalties GP, and the Trustees of the Fund. See "Description of the Business – Boston Pizza International Inc. and Boston Pizza Canada Limited Partnership – Technology, Information Systems, and Cybersecurity" and "Description of Other Material Contracts – Administration Agreement". Certain matters relating to the conduct of the business and affairs of Royalties GP are provided for in the Governance Agreement. See "Description of Other Material Contracts – Governance Agreement".

The Fund also has contractual rights to receive reports, and to inspect and monitor aspects of the business of BPI and its direct and indirect subsidiaries. The purpose of these contractual rights includes, but is not limited to: (a) the protection of the Fund's sources of revenue; (b) the protection of the Fund's intellectual property assets licensed to BPI; and (c) BPI's ability to pay Royalty Income and Distribution Income owed to the Fund. The Trustees and the Fund do not have the authority over, or the responsibility for the stewardship of, BPI, or for overseeing the management and the business of BPI.

The Fund also has legal obligations to file BPI's public disclosure requirements, such as its consolidated financial statements and MD&A (the "**BPI Disclosures**"), pursuant to an undertaking dated July 9, 2002, provided by BPI to the Canadian Securities Commissions. BPI's senior management prepares the BPI Disclosures and provides them to the Fund for filing for public disclosure. The auditors of BPI report to the sole shareholder of BPI, and not the Trustees or Unitholders. The Trustees do not oversee BPI's internal control over financial reporting processes, its disclosure controls and procedures, or its preparation of BPI Disclosures. The Fund provides no assurances as to the accuracy or completeness of BPI Disclosures.

TRUSTEES, DIRECTORS AND OFFICERS OF THE FUND AND ROYALTIES GP

The name, province of residence and principal occupation of each of the Trustees of the Fund and each of the directors of Royalties GP is shown below.

The Trustees are appointed at each annual general 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.

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.

Name and Province of Residence	Trustee (Fund) / Director or Officer (Royalties GP) Since	Principal Occupation
Marc Guay, ICD.D Ontario, Canada	Fund Trustee – June 2018 Director Royalties GP – June 2018	Corporate Director
Paulina Hiebert, B. Comm, LL.B., MBA Alberta, Canada	Fund Trustee – June 2019 Director Royalties GP – June 2019	Corporate Director
Shelley Williams, CPA/CA, ICD.D British Columbia, Canada	Fund Trustee – November 2022 Director Royalties GP – November 2022	Corporate Director
Jordan Holm ⁽¹⁾ British Columbia, Canada	Director and President Royalties GP – November 2017	President of Royalties GP and BPI
Michael Harbinson ⁽¹⁾ Ontario, Canada	Director, and Chief Financial Officer Royalties GP – November 2019	Chief Financial Officer of Royalties GP and BPI

(1) Nominee of BPI

During the past five years, all of the above listed Trustees, directors and officers have been engaged in their present principal occupations as set out above. Additional information concerning the Trustees' experience and background is included in the Fund's 2025 Management Information Circular.

Units Held

To the knowledge of the Fund, as at March 28, 2025, 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 14,500 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

Mandate of the Audit Committee

The Mandate of the Audit Committee sets out the Committee’s purpose, organization, reporting duties and responsibilities. A copy of the Mandate is attached hereto as Schedule A.

Composition of the Audit Committee and Relevant Education and Experience

The Board of Trustees has determined that members of the Audit Committee reflect a high level of financial literacy and expertise. Each member of the Audit Committee is independent and financially literate, as those terms are defined in National Instrument 52-110 – *Audit Committee*. The following lists the relevant education and experience of the members of the Fund’s Audit Committee that is relevant to the performance of his or her responsibilities as an Audit Committee member. Further information on each member’s experience and qualifications is available in the Fund’s 2025 Management Information Circular.

Name**Relevant Education and Experience**

Marc Guay, ICD.D

Mr. Guay received a Bachelor's degree in Commerce from HEC Montreal and completed the Advanced Executive Program of Northwestern University (Kellogg School of Business). He also holds the ICD.D designation. Mr. Guay has held senior leadership roles during his career, including President of PepsiCo Foods Canada Inc. from 2008 to 2015 and President of Frito Lay Canada Inc. from 2001 to 2008. Mr. Guay is currently a director of Metro Inc. (2016 to present), chairs their Human Resources Committee (2022 to present) and is also a member of their Audit Committee.

Paulina Hiebert, B. Comm, LL.B.,
MBA

Ms. Hiebert received a Bachelor's degree in Commerce from the University of Saskatchewan, a LL.B (with distinction) from the University of Saskatchewan and an MBA (with distinction) from the University of Western Ontario (Richard Ivey School of Business). Ms. Hiebert has held senior leadership roles during her career at multinational public companies, where she obtained extensive finance and governance experience. Her previous roles include Vice President Legal and Corporate Secretary for The North West Company Inc from 2009 to 2017, and Vice President Legal and Corporate Secretary for The Brick Group Income Fund and TransGlobal Insurance from 2002 to 2009. Ms. Hiebert is also currently a member of the Audit Committee for Trez Capital and a former member of the Audit Committee for the Credit Union Deposit Guarantee Corporation (Alberta).

Shelley Williams, CPA/CA, ICD.D

Ms. Williams is the Chair of the Audit Committee for the Fund. Ms. Williams has been a chartered professional accountant for over 30 years, and has an extensive finance background. She holds a Bachelor of Arts (Economics) from the University of Victoria and also holds the IC.D. designation. She has held senior financial leadership roles at multinational public companies, including Vice President Treasurer at Finning International Inc. and Corporate Treasurer at Fletcher Challenge Canada. Ms. Williams is also currently a member of the Audit Committee for the Bank of Canada and is the Audit Committee Chair for Technical Safety BC. She is the former Chair of the Audit Committee for BC Life and Casualty Company, Douglas College, and for HFN LNG Development Corporation.

External Auditor Service Fees*Auditor Fees*

The aggregate fees billed for professional services rendered by the Fund's external auditor, KPMG LLP, for the years ended December 31, 2024 and December 31, 2023 are as follows:

		December 31, 2024	December 31, 2023
Audit fees	\$	134,022	113,530
Audit-related fees		51,039	59,100
Tax fees		12,241	20,291
Total fees	\$	197,302	192,921

Audit fees for 2024 and 2023 include fees related to the Fund's annual audit, quarterly reviews and accounting consultations.

Audit-related fees for 2024 and 2023 include fees related to the audit of reported Franchise Sales and review engagements and compilations related to certain of the Fund's subsidiaries. 2023 also includes fees related to the internal control review, which was transitioned to a separate independent accounting firm in 2024.

Tax fees for 2024 and 2023 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 and related fees.

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.

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. The Fund further increased the reimbursement to BPI by a nominal amount in 2024, which was based on a 3.9% increase in the Canadian Consumer Price Index in 2023.

RISKS & RISK MANAGEMENT

I. Overview and Governance of Risk

A. General

The Trustees are responsible for overseeing all risks and opportunities affecting the Fund. This includes ensuring that material risks are identified and that strategies, tactics, and processes are implemented to appropriately monitor and manage material risks. While the Trustees have risk oversight responsibilities for the Fund, the Fund itself has limited operations, with minimal expenses and its only sources of revenue being: (i) Royalty Income payable by BPI to Royalties LP; and (ii) Distribution Income payable by BP Canada LP to Holdings LP. Accordingly, the Fund is reliant upon BPI and BP Canada LP to effectively identify, monitor and manage key underlying business risks affecting BPI, BP Canada LP and Boston Pizza Restaurants.

BPI's board of directors and senior management are responsible for overseeing all risks and opportunities affecting BPI, BP Canada LP and Boston Pizza Restaurants. BPI's senior management has implemented a formal enterprise risk management process that enables it to appropriately identify, monitor and manage risks across all business units, while adhering to risk tolerance levels set by BPI's board of directors and senior management. The Fund has contractual rights to receive reports, and to inspect and monitor BPI's oversight of these key underlying business risks as part of oversight responsibilities for the protection of the Fund's sources of revenue. BPI's senior management regularly updates and collaborates with the Trustees on key enterprise risk management matters relevant to BPI, BP Canada LP and Boston Pizza Restaurants.

B. Climate-Related Risks and Opportunities

Climate-related risks and opportunities are gaining increased attention, driven in part by the anticipation of mandatory reporting requirements in Canada for public companies. In response, the Fund, BPI and BP Canada LP have proactively begun preparing to meet these emerging reporting requirements.

As with risk management generally, the Trustees are responsible for overseeing climate-related risks and opportunities that could affect the Fund. Effective management of such risks and opportunities is essential for ensuring the Fund's sustainability and long-term success. However, given the Fund's limited operations, it is reliant upon BPI and BP Canada LP to effectively manage climate-related risks and opportunities affecting BPI, BP Canada LP and Boston Pizza Restaurants.

BPI's board of directors and senior management hold primary responsibility for overseeing climate-related risks and opportunities affecting BPI, BP Canada LP and Boston Pizza Restaurants. BPI's senior management is in the process of specifically identifying climate-related risks and opportunities applicable to BPI, BP Canada LP and Boston Pizza Restaurants, including short-term, medium-term and long-term transitional and physical risks. Once fully identified, BPI's senior management will assess such risks and opportunities and determine appropriate tools and strategies to manage the same, all within the overall risk appetite framework set by BPI's board of directors and senior management. Throughout this process, BPI's senior management maintains regular communication and collaborates with the Trustees to ensure alignment, transparency, and effective oversight.

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

The following section outlines material risks associated with the restaurant industry and business of BPI and BP Canada LP, together with the potential impact of those risks on Unitholders, the Fund, BPI, BP Canada LP and Boston Pizza Restaurants. Mitigation strategies and tactics employed to manage these risks have also been outlined. Readers are cautioned that there can be no assurance that any of the mitigation strategies and tactics described below will be successful in fully preventing, mitigating or managing the risks.

A. Strategic Risks

1. Climate Change

Inherent Risk:

Climate change presents significant challenges for the restaurant industry, exposing it to weather-related risks that affect operations, supply chains, and guest behavior, while also raising critical environmental, social, and governance concerns. Extreme weather events, such as hurricanes, wildfires, heatwaves, snowstorms and floods, can severely disrupt operations of Boston Pizza Restaurants. These disruptions may include physical damage to properties, disruptions in supply chains, reduced sales from outdoor patios, and temporary restaurant closures. Extreme weather events may also alter guest behavior and negatively impact guest traffic. In addition, Boston Pizza Restaurants rely heavily on domestic and international agricultural products. Unpredictable weather patterns can result in crop failures, negatively affecting both the availability and cost of food ingredients, which are essential to operations and restaurant profitability.

Potential Impact:

Climate change-related risk factors may: (i) limit the ability of Boston Pizza Restaurants to generate Franchise Sales, thereby decreasing the resulting Royalty Income, Distribution Income and Distributable Cash available for distribution to Unitholders; and/or (ii) decrease the profitability of Boston Pizza Restaurants, thereby increasing the risk of restaurant closures.

Mitigation:

BP Canada LP requires all franchisees of Boston Pizza Restaurants (subject to certain limited exceptions) to participate in a comprehensive group property and casualty insurance program. This

program generally provides coverage for physical damage caused to Boston Pizza Restaurants by most extreme weather events, together with business interruption coverage for any resulting loss of Franchise Sales or other revenue. Under the franchise agreements between BP Canada LP and Boston Pizza Restaurants, the proceeds of business interruption insurance are included in Franchise Sales in a manner designed to compensate BP Canada LP, by way of royalty and Advertising Fund contributions, as though the business interruption did not occur. Similarly, BPI and BP Canada LP are required to pay Royalty Income and Distribution Income to the Fund on such amounts. BPI's internal audit team regularly reviews this insurance program to help assess its performance and adequacy. This insurance program helps to minimize the impact of extreme weather events on the amount of Royalty Income and Distribution Income received by the Fund, and the corresponding amount of Distributable Cash available for distribution to Unitholders. However, there can be no assurance that insurance coverage will exist for any particular incident or that the coverage will be adequate.

Boston Pizza Restaurants are geographically dispersed across Canada which reduces the risk of a single extreme weather event causing widespread operational disruptions. Similarly, BPI's two corporate offices are in Richmond, British Columbia and Mississauga, Ontario, thereby reducing the risk that an extreme weather event will fully disrupt BPI's operations. In addition, most of BPI's critical information technology systems are cloud-based, which allows for continued operations even if one or both corporate offices are affected by extreme weather events. Furthermore, BPI and BP Canada LP has a network of industry-leading suppliers who are well-positioned to rapidly respond to logistical challenges posed by extreme weather events. While measures are in place to mitigate the impact of climate-related risks, there can be no assurances that extreme weather events will not concurrently disrupt the operations of a significant proportion of Boston Pizza Restaurants, BPI or the Boston Pizza supply chain.

2. Competition within the Restaurant Industry / Changes in Guest Behaviour / Sales Tactics may not be Successful

Inherent Risk:

The performance of the Fund is directly dependent upon Royalty Income received from BPI and Distribution Income received from BP Canada LP. The amount of Royalty Income 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 Canadian restaurant industry. The Canadian restaurant industry, especially the full-service 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. 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. Competitive pressures within the industry, along with shifts in guest preferences or behaviour, could result in reduced guest traffic and limited flexibility to increase menu prices. These factors may ultimately reduce the profitability of Boston Pizza Restaurants thereby increasing the risk of permanent restaurant closures.

Franchise Sales are influenced by marketing and advertising programs, as well as BPI's and BP Canada LP's ability to develop and introduce new and appealing menu items. However, marketing and advertising campaigns may not always achieve their intended outcomes, and new menu offerings may fail to gain traction with guests. A lack of compelling promotional initiatives or a failure to deliver menu items that align with current guest demands could limit Boston Pizza Restaurants' ability to retain existing guests and attract new ones.

Potential Impact:

If BPI, BP Canada LP, and Boston Pizza franchisees are unable to successfully compete in the casual dining sector and adapt to changes in guest behavior to meet guest needs, two key consequences may arise: (i) the ability of Boston Pizza Restaurants to generate Franchise Sales may be reduced, thereby decreasing the resulting Royalty Income, Distribution Income, and Distributable Cash available for distribution to Unitholders; and/or (ii) the profitability of Boston

Pizza Restaurants may decline, increasing the risk of restaurant closures. Furthermore, any decline in Franchise Sales would also result in a decline in franchisees' contributions to the Advertising Fund, thereby reducing the amount of money available for BPI's and BP Canada LP's marketing and advertising programs.

Mitigation:

Boston Pizza is the largest national full-service restaurant brand in Canada and it enjoys high levels of brand awareness among guests. BPI and BP Canada LP conduct ongoing market research that monitors the brand health for Boston Pizza and its competitors. BPI and BP Canada LP actively enhance and promote the Boston Pizza brand through a range of media types (i.e. television, radio, digital, social media), and national and local promotions that are paid for by the Advertising Fund, to which franchisees pay 3.0% of Franchise Sales. BPI and BP Canada LP work carefully with their advertising agency to craft compelling marketing campaigns designed to resonate with Boston Pizza's core guests. All significant marketing campaigns are grounded in robust market research to assess their likelihood of success. In addition, Boston Pizza franchisees and BPI's corporate support employees continuously strive to improve the guests' experience, adapting practices to retain existing guests and attract new guests. Boston Pizza and its franchisees connect with their communities by hosting events, engaging with local organizations, and supporting philanthropic causes. For over 30 years, the Boston Pizza Foundation has strengthened and improved Canadian communities by supporting a variety of causes through partnerships. Through initiatives like Boston Pizza's Valentine's Day Paper Hearts and Heart-Shaped Pizzas, Kids Cards, and other fundraising events, close to \$40 million has been raised and donated to charities across Canada and beyond. In 2024, the Boston Pizza Foundation introduced a new Looking After Local Program, designed to have all Boston Pizza Restaurants support the needs of their immediate neighbourhoods and ensure all funds they raise stay in the local communities they serve. Moving forward, all funds from the Valentine's Day Heart-Shaped Pizza, Paper Hearts, and Kids Cards promotions will be donated to local charities of each restaurant's choice through the Boston Pizza Foundation.

Boston Pizza Restaurants offer a broad and diversified menu that is updated regularly and is designed to appeal to a wide variety of guests. BPI conducts ongoing market research into culinary trends to identify changes in guest preferences and behaviour. Boston Pizza is committed to providing guests with an enjoyable and safe experience. Transparency around ingredients and allergens remains a top priority, with comprehensive nutritional information readily available on www.bostonpizza.com and Boston Pizza's mobile app. This ensures guests can make informed choices tailored to their dietary needs. The Boston Pizza menu is designed to be highly flexible, catering to a wide range of personal preferences and specific dietary requirements, allowing guests to dine with confidence. Menu offerings are continuously adapted to meet evolving tastes and expectations. Currently, all Boston Pizza Restaurants offer GlutenWise options, and select locations also feature Halal menu choices. In 2023, BPI opened a dedicated culinary innovation centre in which BPI's culinary team is continuously focused on creating compelling culinary offerings that appeal to guests and enhance the profitability of Boston Pizza Restaurants. New menu items are concept-tested with guests prior to being launched nationally, to understand the expected rates of sales penetration. In addition, Boston Pizza's multi-channel offerings, which include the dining rooms, sports bar and patios of Boston Pizza Restaurants, together with take-out and delivery, enable Boston Pizza Restaurants to compete against a large segment of the restaurant industry. Furthermore, the franchise agreement governing the operation of Boston Pizza Restaurants requires each franchisee to renovate their restaurant to BP Canada LP's current design standards every seven years. This is intended to ensure that Boston Pizza Restaurants always have an up-to-date and inviting appearance.

3. Dependence upon Key Personnel

Inherent Risk:

The success of the Fund depends upon the expertise and contributions of BPI's senior management and key personnel. More specifically, success depends upon BPI's ability to: (i) attract and retain key individuals with the capabilities, 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 qualified franchisees.

Potential Impact:

The inability of BPI to attract and retain key employees or qualified franchisees could have a material adverse effect on the performance of the Fund, including a decline to Franchise Sales and the resulting Royalty Income, Distribution Income and Distributable Cash available for distribution to Unitholders. In addition, a failure of BPI to attract and retain qualified franchisees may result in poorer operational performance and profitability of Boston Pizza Restaurants, thereby increasing the risks of Boston Pizza Restaurants permanently closing.

Mitigation:

BPI is well positioned to attract and retain key personnel who have the appropriate capabilities, skills and leadership competencies. BPI provides its employees with competitive compensation supported by routine industry benchmarking, attractive benefits and career development opportunities. BPI has succession plans for critical roles and an educational assistance program to support employee development is available to all employees. BPI has been recognized as a Franchisees' Choice Designation winner and a Platinum Member of Canada's 50 Best Managed Companies for many years and has recently received awards from Great Place To Work in the categories of Best Workplaces: in Canada – 100-999 Employees, in British Columbia, in Retail & Hospitality, for Mental Wellness, for Women, for Giving Back, and with Most Trusted Executive Teams.

BPI and BP Canada LP are also well-positioned to attract and retain qualified franchisee candidates. BPI's franchising and development team continually and actively solicits new franchisee candidates at franchising trade shows, through multiple forms of media and through networking opportunities. In addition, BPI and BP Canada LP foster the development and expansion of proven, multi-unit franchisees from within the Boston Pizza system and encourage multi-generational franchisee owners where appropriate (with there being several second and third generation franchisee owners currently in the Boston Pizza system). Furthermore, BPI and BP Canada LP actively work to match individuals who have proven restaurant operational expertise with investors who have available capital.

4. Environment, Social and Governance Matters

Inherent Risk:

Public attention on social and environmental sustainability matters has grown significantly. The increased attention is coming from employees, guests, investors, environmental activists, the media, and both governmental and nongovernmental organizations. Growing areas of focus in the restaurant industry include packaging and waste management, animal health and welfare, human rights, climate change, greenhouse gas emissions, and the use of land, energy, and water. As a result, the Fund, BPI, BP Canada LP and Boston Pizza Restaurants may experience increased expectations to provide expanded public disclosure, make commitments with respect to various social and environmental issues, and to take actions to meet those commitments. 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.

Potential Impact:

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, trust in the Boston Pizza brand may suffer. The damage caused to the Boston Pizza brand by such a failure to satisfy the public's expectations may limit Boston Pizza Restaurants' ability to generate Franchise Sales, thereby decreasing the resulting Royalty Income, Distribution Income and Distributable Cash available for distribution to Unitholders. In addition, the actions needed to achieve any commitments, goals or targets that are established could result in increased costs to BPI, BP Canada LP and Boston Pizza Restaurants, which may decrease the profitability of Boston Pizza

Restaurants, thereby increasing the risks of them closing. The amount of Franchise Sales and the resulting Royalty Income, Distribution Income and Distributable Cash available for distribution to Unitholders, could be adversely impacted if BPI, BP Canada LP and Boston Pizza Restaurants are unable to effectively manage the risks or costs associated with social and environmental sustainability matters.

Mitigation:

BPI's senior management actively monitors the environmental, social and governance risks and opportunities facing BPI, BP Canada LP and Boston Pizza Restaurants as part of its enterprise risk management framework. Risk management processes are designed to assist BPI's management stay abreast of public and regulatory expectations, and take the necessary steps to identify, understand, monitor, mitigate, and manage all significant risks and opportunities in a cost-effective manner. The Fund, BPI and BP Canada LP also work closely with professional advisors to understand and prepare for mandatory environmental, social and governance public reporting obligations that are expected to be implemented. In 2024, BPI published its first Brand Impact Report that articulates the various environmental, social and governance initiatives BPI, BP Canada LP and Boston Pizza Restaurants have in the categories of People, Planet and Product. BPI intends to enhance and update this report periodically. In 2024, BPI also published its first Anti-Slavery Report under the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (Canada).

5. Franchisee Relations

Inherent Risk:

The success of the Fund, BPI and BP Canada LP is dependent on BPI and BP Canada LP maintaining positive relationships with franchisees. Maintaining sufficient profitability of Boston Pizza Restaurants is paramount to fostering positive relationships with franchisees. Despite BPI's and BP Canada LP's efforts and positive track record, there is no assurances that BPI and BP Canada LP will be able to maintain positive relationships with franchisees.

Potential Impact:

If BPI and BP Canada LP cannot foster and maintain positive relationships with franchisees, there may be an adverse impact on the performance of the affected Boston Pizza Restaurants, including the ability to undertake new initiatives. Additionally, it could result in the diversion of management resources, increased administrative costs and potential litigation. In addition, a failure by BPI and BP Canada LP to maintain positive relationships with franchisees could result in adverse publicity that may negatively 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. Any of these factors may: (i) limit the ability of Boston Pizza Restaurants to generate Franchise Sales, thereby decreasing the resulting Royalty Income, 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.

Mitigation:

BPI and BP Canada LP communicate and consult with franchisees on a regular basis regarding a wide variety of business initiatives, prioritizing those that drive guest traffic, Franchise Sales and franchisee profitability. BPI and BP Canada LP maintain a Franchisee Advisory Council that is comprised of select franchisees from various geographical regions across Canada for the purpose of discussing and obtaining feedback on potential business challenges and opportunities facing the Boston Pizza system. Each Franchisee Advisory Council member is charged with soliciting feedback from franchisees within their region and communicating that feedback to BPI. BPI meets regularly with the Franchisee Advisory Council and seeks to obtain informal alignment prior to implementing any significant changes to the Boston Pizza system. BPI also routinely hosts webcasts that all franchisees are invited to attend. The webcasts include business updates along with an open question and answer session with BPI's senior management. BPI's senior management attends in-person regional meetings across Canada with franchisees to hear and address any concerns and to maintain personal relationships with franchisees. Select members of

BPI's management also conduct periodic market tours in various parts of Canada to visit different Boston Pizza Restaurants and maintain relationships with the applicable franchisees. In addition, BPI hosts periodic system-wide conferences to which franchise owners, general managers and/or kitchen managers of Boston Pizza Restaurants are invited to attend to celebrate accomplishments, share best practices, discuss business initiatives and strengthen relationships. Furthermore, BPI and BP Canada LP provide extensive training and marketing resources to Boston Pizza franchisees and their staff that are designed to enable them to effectively and profitably operate Boston Pizza Restaurants. Lastly, BPI provides every Boston Pizza Restaurant with dedicated field operations support personnel whose role is to assist the applicable franchisee and their employees in operating an even more successful and profitable Boston Pizza Restaurant.

B. Operational Risks

1. Growth of Royalty Income and Distribution Income / Franchisee Performance / Closure of Boston Pizza Restaurants

Inherent Risk:

The growth of Royalty Income 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 on several factors. These include the ability of BPI and BP Canada LP to (i) maintain and grow their franchised restaurants, (ii) secure new restaurant sites in prime locations, and (iii) attract and retain qualified franchisees to operate the restaurants effectively and profitably. BPI and BP Canada LP face significant competition from other restaurant chains and food service businesses when securing prime restaurant locations and attracting skilled franchisees and operators. BPI's and BP Canada LP's inability to successfully attract and retain qualified franchisees and operators could adversely affect their business development. The initial 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 qualified management and other employees necessary to operate new Boston Pizza Restaurants; adequately supervising construction; securing suitable financing; and other factors, many of which are beyond the control of BPI and BP Canada LP. Boston Pizza franchisees may not always possess the business expertise, operational skills, or access to sufficient financial resources required to successfully open, develop, and 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 adequately hire and train qualified managers and other restaurant personnel. Franchisees who do not successfully operate restaurants in a manner consistent with BPI's and BP Canada LP's standards and requirements typically experience a loss of profitability, thereby increasing the risk of Boston Pizza Restaurants closing. In addition, any failure of franchisees to operate restaurants in a manner consistent with BPI's and BP Canada LP's standards and requirements may damage the image and reputation of BPI and BP Canada LP and attract negative publicity.

In addition, the amount of Royalty Income payable to Royalties LP by BPI, and the amount of Distribution Income payable by BP Canada LP to Holdings LP, are dependent upon 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 for various reasons, including: a failure of the applicable franchisees to operate the restaurants profitably; a failure of the applicable franchisees to operate the restaurants in compliance with their franchise agreements and in a manner consistent with BPI's and BP Canada LP's standards and requirements; a loss of the applicable franchisees' right to occupy the real estate upon which the restaurant is located; and shifts in local market conditions, such as changes in traffic patterns, increased competition, or demographic shifts in the area, which may reduce the financial viability of a restaurant. When Boston Pizza Restaurants close, 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 from those Closed Restaurants.

Potential Impact:

Any failure of BPI and BP Canada LP to (i) maintain and grow their franchised restaurants, (ii) secure new restaurant sites in prime locations, and (iii) attract and retain qualified franchisees to operate the restaurants, may result in declines to Franchise Sales and the resulting Royalty Income, Distribution Income and Distributable Cash available for distribution to Unitholders. Failures of franchisees to operate Boston Pizza Restaurants in a manner consistent with BPI's and BP Canada LP's standards and requirements may have a similar effect. In addition, the closure of Boston Pizza Restaurants for any reason will result in declines to Franchise Sales and the resulting Royalty Income, Distribution Income and Distributable Cash available for distribution to Unitholders if BPI and BP Canada LP are unable to open sufficient new Boston Pizza Restaurants to replace the Franchise Sales from those Closed Restaurants.

Mitigation:

BPI and BP Canada LP have a dedicated franchising and development team who follow a comprehensive process to identify and secure prime real estate for new Boston Pizza Restaurants and to find qualified franchisees with sufficient capital and operating expertise to be successful. BPI and BP Canada LP have built positive relationships within the Canadian leasing community, including with leading real estate developers and institutional landlords of shopping centres and plazas that assist BPI in identifying and negotiating leases for Boston Pizza Restaurants in prime locations.

BPI and BP Canada LP are also well-positioned to attract and retain qualified franchisee candidates. BPI's franchising and development team continually and actively solicits new franchisee candidates at numerous franchising trade shows, through multiple forms of media and through networking opportunities. In addition, BPI and BP Canada LP foster the development and expansion of proven multi-unit franchisees from within the Boston Pizza system and encourage multi-generational franchisee owners where appropriate (with there being several second and third generation franchisee owners currently in the Boston Pizza system). Furthermore, BPI and BP Canada LP actively work to match individuals who have proven restaurant operational expertise with investors who have available capital.

BPI and BP Canada LP have developed leading training materials for franchisees and their restaurant operators that are designed to teach the skills required to operate a Boston Pizza Restaurant successfully, profitably and in a manner consistent with BPI's and BP Canada LP's standards and requirements. BPI and BP Canada LP actively monitor both the operational and financial performance of Boston Pizza Restaurants to identify and attempt to address any problems or issues that arise. If BPI and BP Canada LP become aware that a Boston Pizza Restaurant is either operationally or financially distressed, they work with the applicable franchisee and other stakeholders in an attempt to rectify the situation, return the restaurant to appropriate and profitable operations and prevent the restaurant from closing. In limited and appropriate circumstances, BPI and BP Canada LP may provide temporary financial support to a Boston Pizza Restaurant that is financially distressed to assist it in returning to sufficiently profitable operations and to minimize the risk of it closing. This temporary financial support does not reduce the amount of Royalty Income or Distribution Income that BPI and BP Canada LP are required to pay the Fund.

2. Availability and Quality of Raw Materials / Supply Chain / Vendor Dependency / Ethical & Sustainable Sourcing

Inherent Risk:

Franchise Sales by Boston Pizza Restaurants depend on the availability, cost, and quality of input materials, food, packaging, and services used in their operations. Boston Pizza's supply chain is subject to global market factors that impact availability, cost, and quality of input materials. Key input materials, such as protein, produce, flour and packaging materials, are particularly susceptible to price and availability fluctuations driven by changes in supply and demand. In addition, the

quality of products can be impacted by a variety of factors including extreme weather events, livestock diseases, and contamination. Additionally, certain products purchased by Boston Pizza Restaurants are sourced from a single or a limited number of suppliers. If the availability or quality of these products required by Boston Pizza Restaurants is jeopardized, the ability to find alternative sources of appropriate supply may be difficult given the large scale of the Boston Pizza system and the proprietary nature of some products. Challenges in availability of input materials may result in shortages of necessary materials or Boston Pizza Restaurants incurring higher costs for those materials, both of which decrease profitability and increase the risks of restaurants closing. In addition to the risks noted immediately above, guests are also increasingly demanding that businesses adopt ethical and sustainable sourcing practices. A failure to do so could result in negative guest sentiment and adverse publicity.

Potential Impact:

A significant reduction in the availability or quality of products and services purchased by Boston Pizza Restaurants resulting from any of the above factors or significant increases in costs for input materials could have an adverse effect on Franchise Sales and the resulting Royalty Income, Distribution Income and Distributable Cash available for distribution to Unitholders. Similarly, negative guest sentiment or adverse publicity arising from a failure of BPI and BP Canada LP to adopt ethical and sustainable sourcing practices could have an adverse effect on Franchise Sales and the resulting Royalty Income, Distribution Income and Distributable Cash available for distribution to Unitholders.

Mitigation:

BPI, BP Canada LP and Boston Pizza Restaurants enjoy significant purchasing power as Canada's largest full-service restaurant chain, enabling them to generally secure a reliable supply of quality products and services. BPI's dedicated procurement team maintains strong relationships with industry-leading suppliers who have the expertise to effectively and efficiently address product availability or quality issues. To reduce reliance on single suppliers, BPI and BP Canada LP deal with a diverse range of reputable suppliers. These suppliers are required to comply with BPI's supplier code of conduct that imposes minimum standards for ethical and sustainable sourcing practices. Also, a key priority for BPI and BP Canada LP is sourcing high quality ingredients to ensure guest confidence in the food served by Boston Pizza. Whenever possible, ingredients are procured from trusted suppliers with third-party certifications for responsible sourcing and animal welfare. Additionally, all key ingredients are fully traceable to their origins. Flour used in all Boston Pizza Restaurants is harvested from the Canadian prairies, renowned for producing some of the world's finest wheat flour. Pizza mozzarella is made from Canadian cheese sourced from Canadian dairy farmers, while burgers and steaks are prepared using 100% Canadian beef. This focus on quality and traceability not only builds trust with guests but also illustrates BPI's and BP Canada LP's ongoing commitment to ethical and sustainable sourcing practices.

3. Revenue of BPI and BP Canada LP

Inherent Risk:

The ability of BPI to pay Royalty Income and the ability of BP Canada LP to pay Distribution Income depends on several critical factors including (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 successful collection of franchise fees, including initial and renewal fees.

Potential Impact:

Failure by BP Canada LP to achieve adequate collection levels from Boston Pizza franchisees, or a significant reduction in revenue from supplier and distributor arrangements, could materially impact: (i) BPI's and BP Canada LP's ability to support and grow the business of Boston Pizza Restaurants; and/or (ii) BPI's ability to pay Royalty Income and BP Canada LP's ability to pay Distribution Income, thereby affecting the financial performance and sustainability of the Fund.

Mitigation:

BPI's finance team maintains rigorous oversight of fee collection from Boston Pizza franchisees and collaborates closely with BPI's operations and franchising teams to actively manage accounts receivable balances. When necessary and appropriate, legal measures are employed to recover overdue payments from franchisees. Additionally, BPI's procurement team continuously engages in negotiations with leading suppliers to secure competitive pricing for franchisees and optimize revenue opportunities for BP Canada LP. These measures, combining rigorous financial oversight with proactive management, are intended to minimize downside risks and ensure ongoing revenue stability across franchisee and supplier arrangements.

4. Labour Availability, Cost and Efficiency**Inherent Risk:**

The availability of employees at reasonable wages is critical to the successful operation, revenue generation, and profitability of Boston Pizza Restaurants. Since 2022, the restaurant industry has continued to experience persistent labour shortages, resulting in heightened competition for skilled workers and rising wage costs. Labour typically represents the largest single operating expense for Boston Pizza Restaurants. Challenges such as insufficient labour availability or ineffective management of labour resources by franchisees can lead to operational disruptions, reduced service quality, and decreased profitability.

Potential Impact:

The ability of Boston Pizza Restaurants to attract, motivate, and retain sufficient qualified employees is critical to maintaining efficient operations, delivering exceptional guest experiences, and upholding the reputation of the Boston Pizza brand. Failure to do so could result in operational disruptions, diminished service quality, negative guest perceptions, and potential reputational damage. These challenges may lead to declines in Franchise Sales, negatively affecting Royalty Income, Distribution Income, and Distributable Cash available for distribution to Unitholders. Additionally, increased labour costs or inefficient labour management can erode franchisee profitability, heightening the risk of restaurant closures.

Mitigation:

BPI and BP Canada LP have developed numerous programs that are designed to assist franchisees in attracting and retaining employees who are both qualified and motivated. These include hosting a national Boston Pizza careers website where franchises can post employment opportunities and prospective employees can apply for positions, the use of other recruitment platforms such as Indigenous.Link, making available to franchisees a new employee orientation program, providing employee management and leadership development classes, and periodically hosting multi-day Boston Pizza conferences that provide opportunities for engagement and professional development of franchisees, general managers and kitchen managers. Additionally, BPI has a Scholarship Program that offers financial assistance for Boston Pizza Restaurant employees pursuing post-secondary education, including university degrees, college diplomas, or certificates. These initiatives collectively enhance franchisees' ability to attract, develop, and retain a skilled and motivated workforce, contributing to the long-term success and operational excellence of Boston Pizza Restaurants.

Attracting and retaining employees is essential, but effective labour scheduling is equally critical for delivering exceptional guest experiences and ensuring restaurant profitability. To address this, BPI and BP Canada LP require all Boston Pizza Restaurants to utilize the same digital labour management solution. This system streamlines hourly labour scheduling, enhances operational efficiency, and facilitates the sharing of best practices and key performance indicators across all Boston Pizza Restaurants, reinforcing consistency and effectiveness in labour management throughout the network.

Additionally, BPI's culinary team, led by its Executive Chef, carefully develops menu items to balance operational efficiency with maintaining high standards of quality and consistency. The Executive Chef oversees a dedicated culinary team and collaborates closely with the Boston Pizza

Restaurant Advisory Council, which is composed of top operators, as well as key suppliers. This collaborative approach ensures that menu offerings align with guest preferences, operational efficiency needs, and quality standards. Supporting this effort, BPI's dedicated training team continuously updates training materials and manuals to ensure they are user-friendly and aligned with the latest operational best practices.

5. Food Safety

Inherent Risk:

The restaurant industry inherently faces the risk of food safety incidents that may cause harm to guests. The occurrence of any food safety incident at a Boston Pizza Restaurant, including any foodborne illness, has the potential to result in (i) significant adverse publicity which can diminish the value of the Boston Pizza brand, and (ii) significant liability for harm caused to guests. Additionally, food safety incidents within the broader restaurant industry can create widespread negative publicity that materially affects the entire industry, including Boston Pizza Restaurants.

Potential Impact:

Publicity from a food safety incident could adversely affect Franchise Sales in one or more Boston Pizza Restaurants and the resulting Royalty Income, Distribution Income and Distributable Cash available for distribution to Unitholders. In addition, 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. Negative 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.

Mitigation:

BPI and BP Canada LP have rigorous food safety practices and protocols that Boston Pizza Restaurants are required to follow. These measures are designed to minimize the probability of food safety incidents, including foodborne illnesses, and ensure that guests of Boston Pizza Restaurants enjoy safe, high-quality food. Practices and processes include sourcing food products from industry-leading, reputable suppliers who employ robust quality assurance protocols. They also require employees of Boston Pizza Restaurants to undergo annual food safety training and certification. BPI's field operations team regularly assesses and audits every Boston Pizza Restaurant's compliance with these practices and processes via a Core Brand Standards Assessment that BPI has developed. BPI and BP Canada LP have also engaged Steritech, North America's industry-leading service provider, to perform semi-annual unannounced food safety audits at each Boston Pizza Restaurant, focusing on compliance with hygiene standards, food handling and storage protocols, and kitchen sanitation practices. In addition, each Boston Pizza Restaurant is periodically inspected by local health inspectors who evaluate whether the restaurant is complying with all required food safety protocols. BPI subscribes to a service that provides alerts on any food safety violations noted by local health inspectors across Canada. Additionally, all Boston Pizza Restaurants partner with Ecolab, using their industry-leading chemicals and services to help keep restaurants safe and clean.

BP Canada LP requires all franchisees of Boston Pizza Restaurants (subject to certain exceptions) to participate in a comprehensive group property and casualty insurance program, which includes (i) liability coverage to compensate for bodily harm caused to guests, and (ii) tradename restoration coverage designed to remediate reputational harm, and compensate for financial loss suffered, as a result of a food safety incident. However, there can be no assurance that insurance coverage will exist for any particular food safety incident or that the coverage will be adequate.

6. Damaging Restaurant Incidents / Effect of Media and Social Media

Inherent Risk:

Actual or alleged incidents occurring at individual Boston Pizza Restaurants have the potential to generate significant negative publicity that could impact the broader Boston Pizza brand and system. These incidents may encompass a range of issues, including but not limited to, food safety

violations, injuries suffered on the premises, human relations matters such as bullying or harassment, failures to serve alcohol responsibly, inappropriate public discourse on a wide range of topics by restaurant employees, violent incidents that occur on the premises, or other health and operational concerns. Each of these risks carries the potential to damage Boston Pizza's brand and business.

The Fund, BPI, BP Canada LP and Boston Pizza Restaurants may be adversely affected by 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 guests and other stakeholders. Information on these platforms is disseminated almost instantaneously, often without filters or independent verification as to the accuracy of the content posted. The potential for dissemination of information, including inaccurate information, is virtually limitless. Information posted may be detrimental 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 the Fund, BPI, BP Canada LP, Boston Pizza Restaurants or the Boston Pizza brand. The harmful impact of such information can be immediate, leaving little to no opportunity for redress or correction by the Fund, BPI, BP Canada LP, or Boston Pizza Restaurants.

Potential Impact:

Harm caused by incidents that occur at Boston Pizza Restaurants and/or media reports, including social media, could significantly reduce demand for the products and services offered by Boston Pizza Restaurants. Incidents may decrease guest traffic to Boston Pizza Restaurants as guests shift their preferences to competitors or other alternatives, regardless of whether the incidents actually occurred, whether media reports were accurate, or whether BPI, BP Canada LP or a Boston Pizza franchisee was ultimately held liable. A decrease in guest traffic to Boston Pizza Restaurants resulting from these events could lead to a decline in Franchise Sales and the resulting Royalty Income, Distribution Income and Distributable Cash available for distribution to Unitholders.

Mitigation:

BPI and BP Canada LP have operating processes and procedures with which franchisees are required to comply that are designed to minimize adverse incidents occurring at Boston Pizza Restaurants, which include policies, processes and training around food safety, responsible service of alcohol, appropriate workplace conduct, and communicating with the media, including social media. BPI engages with a leading social media monitoring company to continuously monitor social media feeds for potentially harmful publicity on Boston Pizza and employ timely mitigation tactics to reduce the likelihood of such content going viral. BPI's guest services, communications, operations, and legal teams are also prepared to intervene promptly in the event of significant negative publicity, working collectively to diffuse the situation and mitigate reputational harm.

C. Legal and Regulatory Risks

BPI, BP Canada LP and Boston Pizza Restaurants are subject to various federal, provincial and local laws affecting their respective businesses. Any material non-compliance with such laws and regulations could adversely affect the operations and financial condition of BPI, BP Canada LP or Boston Pizza Restaurants. 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 ongoing operations of an existing Boston Pizza Restaurant. Certain specific and highly-relevant governmental regulations affecting BPI, BP Canada LP and Boston Pizza Restaurants are as follows:

1. Regulations Governing Food Service and Alcoholic Beverages

Inherent Risk:

Boston Pizza Restaurants are subject to various federal, provincial and local government regulations that regulate 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 a Boston Pizza Restaurant has violated its regulations. Difficulties or failures in obtaining or maintaining the required licenses and approvals could adversely affect existing Boston Pizza Restaurants and potentially delay or cancel the opening of new Boston Pizza Restaurants, which would adversely affect BPI's and BP Canada LP's business.

The ability of Boston Pizza Restaurants to serve alcoholic beverages is an important factor in attracting guests. Alcoholic beverage 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, as well as to provide service on Sundays. Typically, licenses must be renewed annually and may be revoked or suspended for cause at any time. Alcoholic beverage regulations govern numerous aspects of daily operations of Boston Pizza Restaurants, including the 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 a Boston Pizza franchisee to maintain a license to serve liquor for a Boston Pizza Restaurant would adversely affect that restaurant's business. BPI, BP Canada LP or a Boston Pizza franchisee may be subject to legislation in certain provinces, which may grant a person injured by an intoxicated person the right to recover damages from an establishment that wrongfully served alcoholic beverages to the intoxicated person.

Potential Impact:

Failure of Boston Pizza Restaurants to obtain or maintain any permit required for the lawful sale of food products or alcoholic beverages could result in reduced Franchise Sales, temporary or permanent closure of a Boston Pizza Restaurant, and resulting declines in Royalty Income, Distribution Income and Distributable Cash available for distribution to Unitholders. In addition, failure of a Boston Pizza Restaurant to comply with the terms and conditions of any such permit could result in fines, the suspension or termination of a permit and potentially negative publicity, all of which may result in declines in Franchise Sales and resulting declines in Royalty Income, Distribution Income and Distributable Cash available for distribution to Unitholders.

Mitigation:

BPI and BP Canada LP provide guidance to franchisees regarding what types of governmental permits are required in different jurisdictions to lawfully sell food products and alcoholic beverages and, upon request, assist franchisees in applying for or renewing such permits. BPI and BP Canada LP also provide training resources to Boston Pizza franchisees and their employees about appropriate ways to prepare and serve food products and alcoholic beverages. 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 address any individual claim or that it will be adequate.

2. Laws Concerning Employees

Inherent Risk:

The operations of Boston Pizza Restaurants are 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 legal 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 basis, 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 government regulations concerning the employment of temporary foreign workers.

Potential Impact:

The management resources required, financial liabilities incurred, and/or reputational harm that may arise from employment-related claims being asserted against BPI or BP Canada LP or the failure of Boston Pizza franchisees to comply with applicable employment laws and regulations could result in reduced Franchise Sales, a temporary or permanent closure of a Boston Pizza Restaurant, and resulting declines in Royalty Income, Distribution Income and Distributable Cash available for distribution to Unitholders. In addition, changes to the regulations governing temporary foreign workers may constrain labour availability for franchisees and/or increase their labour costs, thereby reducing their profitability and increasing the risk of Boston Pizza Restaurants closing.

Mitigation:

BPI and BP Canada LP provide guidance to franchisees regarding the requirements of applicable laws and regulations governing the employer-employee relationship, including standard policies and training materials related to appropriate workplace conduct. BPI and BP Canada LP also provide assistance to franchisees in managing conflicts with or among their employees. BPI may intercede in conflicts that arise between a franchisee and one or more of their employees/former employees in an attempt to cooperatively resolve the situation and minimize the probability of litigation or negative publicity. Additionally, through BPI, all Boston Pizza franchisees have a membership with the Canadian Federation of Independent Business. This membership offers extensive guidance and resources to help navigate complex labor issues effectively and to resolve employer-employee disputes amicably. Franchisees also have access to further resources through Boston Pizza's membership with Restaurants Canada. BPI's management has a seat on the Restaurants Canada board, ensuring that the interests and challenges of Boston Pizza franchisees are directly represented and addressed, including in broader industry advocacy efforts.

3. Sales Tax Regulations

Inherent Risk:

Increases in the after-tax price of goods and services has a negative effect on the guests' perception of spending on restaurant dining, including takeout and delivery. This negative perception can potentially reduce the frequency of guest visits to restaurants and/or the total amount that guests spend per restaurant visit. As guests' perception and/or actual disposable income are negatively impacted by higher after-tax prices, Franchise Sales face the risk of decline when retail sales taxes increase.

Potential Impact:

Increases to sales taxes on restaurant food and services may result in reduced Franchise Sales, resulting in declines to Royalty Income, Distribution Income and Distributable Cash available for distribution to Unitholders.

Mitigation:

BPI plays a proactive role in advocating for the restaurant industry through its membership and board representation with Restaurants Canada. Restaurants Canada actively lobbies various levels of government on laws and regulations that impact the restaurant sector. Additionally, BPI and its franchisees are members of the Canadian Federation of Independent Business, which advocates on behalf of small businesses to promote favorable taxation policies and other business-friendly regulations.

4. Regulations Governing Franchises

Inherent Risk:

In Canada, six provinces – British Columbia, Alberta, Manitoba, Ontario, New Brunswick and Prince Edward Island – have legislation that specifically governs franchises. The complete failure to provide a disclosure document as required by the franchise disclosure laws and regulations in these provinces (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 has 60 days from the date of receipt of the disclosure document to rescind the franchise agreement. These statutory rights of rescission entitle the franchisee to recover all monies paid and claim compensation for any losses incurred. 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 under common law.

Potential Impact:

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 Royalty Income to Royalties LP. Such claims may also result in negative publicity that may impede BPI's and BP Canada LP's ability to attract and retain qualified franchisees, thereby reducing their ability to support and grow the business of Boston Pizza Restaurants.

Mitigation:

BPI and BP Canada LP have strict internal processes to ensure that franchise agreements are not entered into without first having provided the requisite franchise disclosure documents and waiting the required amount of time before entering into the agreements. In addition, BPI and BP Canada LP have strict internal processes and routinely consult with external legal counsel to ensure that every franchise disclosure document issued is materially compliant with applicable laws and is free from misrepresentation.

5. Intellectual Property

Inherent Risk:

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 fully capitalize on the benefits of the well-established and positive brand equity that Boston Pizza has built. All registered trademarks in Canada can be challenged pursuant to provisions of the *Trademarks Act* (Canada). 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 outside of Canada. Third parties may use such trademarks in jurisdictions other than Canada in a manner that diminishes the value of such trademarks.

Potential Impact:

If the validity or enforceability of any of the BP Rights are ever successfully challenged, this may have an adverse impact on the value of the BP Rights, the amount of Franchise Sales, and the resulting Royalty Income, Distribution Income and Distributable Cash available for distribution to Unitholders. In addition, if identical or similar trademarks are used outside of Canada in a manner that diminishes the value of those trademarks, the value of the BP Rights may be impaired and Franchise Sales of 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 Franchise Sales of Boston Pizza Restaurants. Any such decline of Franchise Sales would reduce the amount of Royalty Income, Distribution Income and Distributable Cash available for distribution to Unitholders.

Mitigation:

BPI and BP Canada LP have developed and implemented strict brand usage guidelines to facilitate BPI complying with its obligations under the License and Royalty Agreement. Those guidelines are designed to ensure that the validity and enforceability of the BP Rights are maintained and not diminished. All significant marketing campaigns and advertising materials are reviewed by BPI's legal department to ensure appropriate trademark usage and compliance with the License and Royalty Agreement. BPI subscribes to an international watch service that alerts BPI to any trademark applications that are filed in Canada or elsewhere that are identical, confusingly similar or conflict with any of the BP Rights so that BPI can take appropriate defensive actions. In addition, BPI vigorously pursues, through all legal means necessary, all known instances of any person infringing or violating any of the BP Rights. Furthermore, BPI's internal audit team performs a trademark compliance review on the Boston Pizza marks every two years and reports the findings and recommendations to the Trustees.

6. Disease Outbreaks**Inherent Risk:**

Any local, regional, national, or international outbreak of a contagious disease, pandemic, epidemic, or other material disease outbreak could reduce the general population's willingness to dine out, lead to employee shortages, decrease guest traffic, cause supply shortages, and result in increased governmental regulations (including potential restrictions to on-premises dining). The majority of Franchise Sales at Boston Pizza are generated on-premise in dining rooms, sports bars and patios, making the risk from pandemics particularly impactful to Boston Pizza's overall results, as government restrictions, such as those imposed during the COVID-19 pandemic, often specifically constrain on-premise dining operations.

Potential Impact:

Any of the foregoing may: (i) limit Boston Pizza Restaurants' ability to generate Franchise Sales, thereby decreasing the resulting Royalty Income, 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.

Mitigation:

BPI, BP Canada LP and Boston Pizza Restaurants have expanded and continue to focus on the take-out and delivery channel to appeal to guests' preferences and desire for convenience, and to be well-positioned in the event future disease outbreaks result in decreased guest traffic or increased government regulations (as was the case during the COVID-19 pandemic). In addition, BPI and BP Canada LP have contingency plans in place to adapt restaurant operations as a result of disease outbreaks and/or increased governmental regulations.

D. *Financial Risks***1. Economic Uncertainties****Inherent Risk:**

The success of BPI, BP Canada LP and Boston Pizza Restaurants, and the amount of Franchise Sales, Royalty Income, 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, guest confidence, guest discretionary income and spending, recession, supply chain disruption, labour availability and other broadly disruptive events. A prolonged trade war between Canada and the U.S., which is by far Canada's largest trading partner and a critical driver of our economy, could trigger a broader economic slowdown or recession. Such conditions would likely reduce consumer discretionary spending, further impacting guest traffic and Franchise Sales at Boston Pizza Restaurants. In addition, as tariffs or trade restrictions are imposed, Boston Pizza Restaurants may face higher input costs, which could reduce margins or necessitate menu price adjustments that impact guest demand. Inflation and increases in interest rates decrease consumers' discretionary spending and increase

the difficulty for Boston Pizza Restaurants to operate profitably 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 guest confidence and recession may lead to decreased demand for dining out, including takeout and delivery, resulting in reduced guest traffic and Franchise Sales. While global supply chains have largely normalized since the COVID-19 pandemic, it remains possible that economic uncertainty, including global trade tensions and threats of tariffs, particularly given Canada's significant reliance on trade with the United States and other major trading partners, may result in commodity unavailability or increased commodity costs for Boston Pizza Restaurants. Additionally, the continued labour shortage in the restaurant industry may impede Boston Pizza Restaurants' ability to attract and retain sufficient numbers of qualified employees. Furthermore, 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.

Potential Impact:

All the factors listed above 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 Income, 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.

Mitigation:

While economic uncertainties are outside the control of the Fund, BPI or BP Canada LP, BPI and BP Canada LP employ several strategies to minimize the negative impacts of significant adverse economic factors. BPI and BP Canada LP have established national franchisee lending programs with five of Canada's larger financial institutions that provide franchisees with access to capital at attractive interest rates.

Boston Pizza Restaurants enjoy national purchasing power through BPI's dedicated procurement team who are focused on negotiating cost effective arrangements with suppliers. BPI's procurement team routinely enters into longer-term contracts with suppliers to insulate the business from short-term cost fluctuations that arise during supply chain disruptions. In addition, BPI's procurement team actively seeks to source goods from within Canada where possible in order to mitigate the effect of foreign exchange and potential trade disputes. The vast majority of food products purchased by Boston Pizza Restaurants are sourced from within Canada and made with Canadian ingredients. BPI's and BP Canada LP's domestic sourcing strategy ensures greater price stability and supply chain resilience, reducing the risk of sudden cost increases due to global trade disputes. In the event that it is not possible to procure necessary goods from within Canada, BPI's procurement seeks to procure them from jurisdictions from which Canada does not impose importation tariffs. Furthermore, Boston Pizza's vast and diverse menu provides BPI's culinary and foodservices teams flexibility to modify menu composition and offerings to optimize ingredient usage in a manner that minimizes impacts of tariffs. BPI continually monitors potential tariff risks and evaluates alternative sourcing strategies to minimize cost impacts on Boston Pizza Restaurants. BPI also plays a proactive role in advocating for the restaurant industry through its membership and board representation with Restaurants Canada. Restaurants Canada actively lobbies various levels of government on laws and regulations that impact the restaurant sector, including tariffs.

BPI and BP Canada LP require Boston Pizza Restaurants to use a digital labour management solution to schedule and efficiently manage labour costs (discussed above). The Boston Pizza system also has many multi-unit franchisees who tend to have a greater capacity to diversify risk and weather economic uncertainties than single-unit franchisees. In addition, the Boston Pizza system benefits from a substantial Advertising Fund that can aggressively promote value-based offerings that resonate with guests during challenging economic conditions.

2. Availability and Adequacy of Insurance

Inherent Risk:

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. 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.

Potential Impact:

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, or could result in Boston Pizza Restaurants closing. In addition, any losses that are not insurable or not insurable on reasonable terms could have a material adverse effect on BPI's and BP Canada LP's business and results of operations or could result in Boston Pizza Restaurants closing. Any of the foregoing may result in declines to Franchise Sales, and the resulting Royalty Income, Distribution Income and Distributable Cash available for distribution to Unitholders.

Mitigation:

BPI and BP Canada LP use the services of a leading global insurance brokerage to design and manage a comprehensive group property and casualty insurance program for BPI, BP Canada LP and Boston Pizza Restaurants. BPI's and BP Canada LP's insurance broker periodically markets the Boston Pizza insurance program to leading global insurers and provides regular advice on adequacy of coverage, applicable exclusions and premium benchmarking with a view to providing the optimal blend of coverage and affordability.

3. Indebtedness of BPI

Inherent Risk:

BPI has third-party debt service obligations under the BPI Credit Facilities. Pursuant to the Priority Agreement, the Fund has priority over the Bank with respect to the payment of Royalty Income and Distribution Income owing by BPI and BP Canada LP versus amounts owing by BPI to the Bank (see Description of the Business – BPI Credit Facilities for full details). However, the degree to which BPI is leveraged could have important consequences to Unitholders, including: (i) a portion of BPI's free 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 BPI to support and grow the business of Boston Pizza Restaurants; and (ii) if BPI's free cash flow from operations after paying the Fund Royalty Income and Distribution Income is insufficient to pay principal and interest owing to the Bank, BPI may commit an event of default under the BPI Credit Facilities, which if not cured or waived, could result in the acceleration of the relevant indebtedness and/or could have a material adverse effect on the Fund.

In addition, all of BPI's borrowings are currently at variable interest rates. As such, changes in interest rates could significantly impact BPI's debt service costs. The BPI Credit Facilities mature on July 1, 2026, at which time BPI will need to either repay or refinance such loans. There can be no guarantee that refinancing will be available to BPI, or available to BPI on acceptable terms. BPI's ability to meet its debt obligations, whether through scheduled payments of principal and interest, or refinancing, depends on future cash flows. These cash flows are dependent on the success of Boston Pizza Restaurants, prevailing economic conditions, prevailing interest rate levels, and various financial, competitive, and business factors, many of which are beyond BPI's control.

The BPI Credit Facilities contain numerous restrictive covenants that limit the discretion of BPI's management over 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 under the BPI Credit Facilities, which if not cured or waived, could result in the acceleration of the relevant indebtedness and/or could have a material adverse effect on the Fund.

Potential Impact:

If BPI has insufficient cash flows from operations available to adequately support and grow the business of Boston Pizza Restaurants due to debt service expenses, then it may result in a reduction in the amount of Franchise Sales and the resulting Royalty Income, Distribution Income, and Distributable Cash available for distribution to Unitholders. If BPI commits an event of default under the BPI Credit Facilities that is not cured or waived due to (i) having insufficient cash flows from operations after the payment of Royalty Income and Distribution Income to pay amounts owing to the Bank, (ii) not being able to repay or refinance its indebtedness on acceptable terms upon maturity, or (iii) failing to comply with restrictive covenants in the BPI Credit Facilities, it may result in the relevant indebtedness being accelerated, the Bank commencing proceedings to enforce its security and/or could have a material adverse effect on the Fund. If BPI were to commit an event of default under the BPI Credit Facilities and the indebtedness thereunder were accelerated, there can be no assurance that BPI would have sufficient liquidity to repay that indebtedness. If BPI were unable to repay that indebtedness, it may have a material adverse effect on the Fund. In addition, significant changes in the amount required by BPI to be applied to debt service due to changes in interest rates could negatively impact BPI's ability to grow and support the business of Boston Pizza Restaurants.

Mitigation:

BPI has steadily reduced its indebtedness through regular payments to the Bank and currently maintains a modest level of leverage. BPI periodically reviews its capital structure and evaluates whether its level of leverage is appropriate. BPI has also established robust internal processes to ensure that all covenants contained within the BPI Credit Facilities are not inadvertently breached, including comprehensive multi-year financial projections that forecast, among other things, covenant compliance. Additionally, BPI actively monitors its exposure to interest rate risk by tracking fluctuations in CORRA and prime interest rates, and evaluating interest rate swaps when necessary.

4. Indebtedness of Franchisees

Inherent Risk:

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 addition, a failure of franchisees of BP Canada LP to comply with restrictive or other covenants under the credit arrangements with their lenders could result in their indebtedness being accelerated.

Potential Impact:

If franchisees of BP Canada LP are excessively leveraged or there are increases to interest rates, the amount of cash such franchisees spend on debt service 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. In addition, 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 also 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. The foregoing may decrease the amount of Franchise Sales and the resulting Royalty Income, Distribution Income and Distributable Cash available for distribution to Unitholders.

Mitigation:

BPI and BP Canada LP have established national franchisee lending programs with five of Canada's larger financial institutions that provide franchisees with access to capital at attractive interest rates. Under these programs, BPI and BP Canada LP receives regular reports from the financial institutions regarding the amount of indebtedness owing and whether the franchisees are in compliance with their obligations to the financial institutions. If any problems are identified by the lenders, BPI and BP Canada LP attempt to work with the applicable franchisees and the financial institutions to stabilize the situation and find a mutually beneficial solution.

E. Technology Risks

1. Cybersecurity / System Failure / Data Breaches

Inherent Risk:

BPI, BP Canada LP and Boston Pizza franchisees rely heavily upon information technology systems, including point-of-sale processing systems, in Boston Pizza Restaurants. These systems are essential for managing their supply chain, fulfilling payment obligations, processing cash, credit and debit card transactions, and handling other critical tasks, including the receiving and fulfilling of guests' orders at Boston Pizza Restaurants. BPI's, BP Canada LP's and Boston Pizza Restaurants' ability to efficiently and effectively manage their business depends significantly on the reliability and capacity of these systems. BPI's, BP Canada LP's and Boston Pizza Restaurants' 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 – whether due to maintenance problems, challenges in upgrading or transitioning to new platforms, difficulties in scaling systems to support growth, or breaches in security (including ransomware attacks or denial-of-service threats) – could result in an inability to operate, delays in guest service, or reduced efficiency in BPI's, BP Canada LP's and Boston Pizza Restaurants' operations. Any unavailability of these information technology systems also has the potential to garner significant adverse publicity and loss of guest confidence. Remediation of such problems could result in significant, unplanned capital investments, and the lead time to address existing deficiencies in IT systems or to vet and implement new IT systems tends to be lengthy.

In addition, 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 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. Security breaches also have the potential to garner significant adverse publicity and loss of guest confidence.

Potential Impact:

Any unplanned unavailability of the information technology systems upon which BPI, BP Canada LP or Boston Pizza Restaurants rely, whether as a result of system failure, physical damage, cybersecurity incidents or otherwise, together with any adverse publicity resulting from such unavailability, may have a material adverse effect on Franchise Sales, the resulting Royalty Income, Distribution Income and Distributable Cash available for distribution to Unitholders. In addition, unanticipated costs incurred by BPI, BP Canada LP or Boston Pizza Restaurants to remediate any unavailability of information technology systems could decrease the profitability of Boston Pizza Restaurants thereby increasing the risk of them closing, and/or impede the ability of

BP Canada LP to pay Distribution Income to Holdings LP, or BPI to pay Royalty Income to Royalties LP.

In addition, any claims, proceedings or costs associated with any actual or alleged loss or disclosure of confidential guest information or other personal information could cause BPI, BP Canada LP or Boston Pizza franchisees to incur significant unplanned expenses, which could have an adverse impact on their financial condition and results of operations. Furthermore, adverse publicity resulting from any actual or alleged security breach may have a material adverse effect on Franchise Sales, the resulting Royalty Income, Distribution Income and Distributable Cash available for distribution to Unitholders, and/or the ability of BP Canada LP to pay Distribution Income to Holdings LP, or BPI to pay Royalty Income to Royalties LP.

Mitigation:

All core information technology systems that power the operations of BPI, BP Canada LP and Boston Pizza Restaurants are centrally managed by BPI. BPI has developed a comprehensive cybersecurity strategy that is designed to protect the information technology systems from malicious attacks, unavailability, and security breaches, and which is regularly reviewed and tested. BPI has a dedicated team of technology and cybersecurity professionals that continue to strengthen their cyber posture and improve their resilience and cybersecurity capabilities including security monitoring, cyber threat intelligence analysis and event alerting. In addition to having in-house cybersecurity expertise, BPI engages with external industry-leading cybersecurity experts to regularly conduct security assessments and penetration testing and to provide BPI with ongoing advice on best practices, threat intelligence and training. All systems relating to the processing of credit and debit card transactions by Boston Pizza Restaurants are required to be compliant with the applicable Payment Card Industry Data Security Standards and Boston Pizza Restaurants are tested annually.

2. Failure of Technology to Remain Current and Satisfy Future Needs

Inherent Risk:

The technology landscape in the restaurant industry is rapidly evolving and advancements in technology are increasingly impacting guests' experiences with restaurants. There is a risk that the technology tools and systems upon which BPI, BP Canada LP and Boston Pizza Restaurants rely to operate their businesses become antiquated or are incapable of satisfying future needs and demands of the business and guests. Any failure of BPI, BP Canada LP and Boston Pizza Restaurants to adequately invest in technology capabilities in a safe and responsible manner may have adverse effects on guest experiences, restaurant operations, efficiency and profitability of Boston Pizza Restaurants.

Potential Impact:

A failure of Boston Pizza's technology to satisfy future needs and demands of the business and guests may have a material adverse effect on Franchise Sales, the resulting Royalty Income, Distribution Income and Distributable Cash available for distribution to Unitholders. In addition, any associated loss of profitability of Boston Pizza Restaurants may increase the probability of them closing.

Mitigation:

BPI recognizes the growing and strategic importance of technology to the Boston Pizza business and has significantly enhanced its technology leadership capabilities in recent years. BPI has a dedicated Senior Vice President of Business Technology on its Executive Team, which highlights the vital role of IT in shaping the future, especially enhancing guest experiences and supporting employees in Boston Pizza Restaurants. BPI and BP Canada LP have developed a long-term technology roadmap to guide the ethical development, procurement and use of technology throughout the Boston Pizza system. BPI and BP Canada LP are constantly evaluating new technologies with a view to balancing enhanced guest experiences, increased efficiencies, capital investment, security and ethical considerations. BPI has relationships with industry-leading technology suppliers who provide advice to BPI on emerging technology trends within the

restaurant industry. Before adopting any new technology, BPI thoroughly tests them in a laboratory environment to evaluate their reliability and performance. Any technology that is shortlisted for implementation is further tested in select Boston Pizza Restaurants prior to be deployed throughout the Boston Pizza system to ensure that it is reliable, performs adequately and is sufficiently secure. BPI also maintains policies regarding safe and responsible use of technology.

III. Risks Related to the Structure of the Fund

The following is a description of the material risks associated with the structure of the Fund. They are separated into two sections (i) risks for which meaningful mitigation strategies and tactics exist, and (ii) risks for which they do not. Readers are cautioned that there can be no assurance that any of the mitigation strategies and tactics described below will be successful in preventing, mitigating or managing the associated risks.

A. *Risks for which Meaningful Mitigation Strategies and Tactics Exist*

1. Dependence of the Fund on the Trust, Holdings LP, BPI and BP Canada LP

Inherent Risk:

The only sources of revenue of the Fund are: (i) Royalty Income payable by BPI to Royalties LP; and (ii) Distribution Income payable by BP Canada LP to Holdings LP. BP Canada LP collects royalty, franchise fees and other amounts from Boston Pizza franchisees and BPI generates revenues from its owned and operated corporate restaurant. 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 grow and support the business of Boston Pizza Restaurants and/or to pay Royalty Income 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 Royalty Income 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.

Potential Impact:

If Boston Pizza Restaurants are unable to successfully generate Franchise Sales, BP Canada LP is unsuccessful in collecting royalties from Boston Pizza franchisees or generating revenue from suppliers, distributors and other sources, and/or BPI and BP Canada LP generate insufficient income to pay its expenses (including Royalty Income and Distribution Income), the amount of Royalty Income, Distribution Income and Distributable Cash available for distribution to Unitholders may be impaired (see “Risks & Risk Management – Risks Related to the Restaurant Industry and Business of BPI and BP Canada LP” for full details).

Mitigation:

The Fund has contractual rights to receive reports, and to inspect and monitor BPI's and BP Canada LP's business operations as part of oversight responsibilities for the protection of the Fund's sources of revenue. Accordingly, the Trustees receive regular sales, financial and business performance reports from BPI and BP Canada LP that keep them apprised of the state of the business operations of BPI, BP Canada LP and Boston Pizza Restaurants. In addition, the Trustees regularly consult with senior management of BPI regarding BPI's strategy, sales initiatives, risks and opportunities, operational matters, brand health and financial condition. Furthermore, the Trustees receive regular updates on the restaurant industry conditions, as well as the overall health and prospects of Boston Pizza Restaurants in the Royalty Pool.

2. Leverage Risks

Debt Service & 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 guarantee 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. As well, 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 Income 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, potentially leading to severe liquidity challenges. 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 variable-rate 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.

Potential Impact:

The extent to which Royalties LP and Holdings LP are leveraged dictates the amount of cash flow from operations that may be dedicated to the payment of the principal of and interest on their indebtedness, thereby reducing the amount of Distributable Cash available for distribution to Unitholders. Similarly, a rise in interest rates could result in higher Royalties LP's and Holdings LP's debt service costs, thereby reducing the amount of Distributable Cash available for distribution to Unitholders.

If Royalties LP and Holdings LP cannot refinance their 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.

If Royalties LP or Holdings LP commit an event of default under the Credit Facilities that is not cured or waived due to (i) failing to comply with restrictive covenants in the Credit Facilities, or (ii) not being able to repay or refinance its indebtedness on acceptable terms upon maturity, the indebtedness under the Credit Facilities may be accelerated, the Bank may commence proceedings to enforce its security and/or it may have a material adverse effect on the Fund. If Royalties LP and Holdings LP were to commit an event of default under the Credit Facilities and

the indebtedness thereunder were accelerated, there can be no assurance that they would have sufficient liquidity to repay that indebtedness. If Royalties LP and Holdings LP were unable to repay that indebtedness, it may have a material adverse effect on the Fund and/or result in a reduction to the amount of Distributable Cash available for distribution to Unitholders.

Mitigation:

The Fund periodically reviews its capital structure and evaluates whether its leverage is appropriate. In addition, BPI's senior management regularly communicates with the Bank on behalf of the Fund to determine the Bank's satisfaction with the performance of the Fund and its levels of indebtedness, together with the Bank's willingness to renew or extend the Credit Facilities, the results of which are reported to the Trustees. The Fund has implemented a rigorous internal process to ensure that restrictive and other covenants contained within the Credit Facilities are not inadvertently breached. Furthermore, the Fund also manages its exposure to interest rate risk primarily by monitoring fluctuations in CORRA and prime interest rates, and by hedging a significant portion of the Fund's variable interest rate debt by evenly staggered interest rate swaps expiry dates over a longer period of time, which allow for more accurate forecasting of future interest expenses (see "Credit Facilities" for full details).

3. Cash Distributions Not Guaranteed

Inherent Risk

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. However, 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 Royalty Income by BPI, as well as the taxes, interest and administrative expenses incurred by the Fund and its subsidiaries.

Potential Impact:

If the Fund's cash flows decline for any reason, the amount distributed in respect of the Units may decline.

Mitigation:

BPI's senior management provides the Fund with regular reports and comprehensive multi-year financial projections regarding the amount of income and cash to be received by the Fund in order to inform the distribution levels set by the Trustees. The Trustees closely monitor the Fund's available cash balances and set distribution levels on the Units with a view to maintaining a stable and sustainable return for Unitholders.

4. Income Tax Matters

Inherent Risk:

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 are legitimate, 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 appropriate and supportable, 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 either through conduct that renders it ineligible or through changes in tax laws, 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, Royalty Income 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 obligated 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.

Potential Impact:

If any expenses deducted by the Fund, its subsidiaries or BP Canada LP from income are ultimately denied, it may increase the Fund's, its subsidiaries' or BP Canada LP's tax liability, thereby reducing its after-tax income and resulting in a decrease to Distributable Cash available for distribution to Unitholders. Similarly, changes in tax laws or eligibility of the Fund as a “mutual fund trust” under the Tax Act may increase the Fund's income tax liability, thereby decreasing the amount of Distributable Cash available for distribution to Unitholders, or may increase the amount of tax payable by Unitholders. Furthermore, if the Fund's after-tax income is reduced as a result of increased income tax liabilities rendering the Fund unable to pay any declared distribution in cash, Unitholders may be issued Units under the Declaration of Trust in lieu of cash for such declared distribution.

Mitigation:

The Trustees of the Fund and BPI's senior management periodically consult with professional tax advisors regarding the deductibility of various expense in order to have reasonable confidence that such deductions are reasonable and in compliance with the Tax Act. In addition, the Fund has implemented a structured internal process to ensure that criteria required by the Tax Act for the Fund to continue to be classified as a “mutual fund trust” are not breached. Furthermore, BPI's senior management provides the Fund with regular reports and comprehensive multi-year financial projections regarding the amount of income and cash to be received by the Fund in order to adequately provide for taxes and inform the distribution levels set by the Trustees.

5. BPI Performing Royalties LP's Duties under Administration Agreement

Inherent Risk:

The Fund relies upon BPI and BPI's systems to conduct the day-to-day administrative functions of the Fund and its subsidiaries. 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. Under the Royalties Limited Partnership Agreement, BPI, as a general partner of Royalties LP, is responsible for performing most of Royalties LP's obligations under the Administration Agreement, including the services required to: (i) ensure compliance by the Fund with continuous disclosure obligations under applicable securities legislation, including the preparation of financial statements relating thereto and the Fund's systems and processes for internal control over financial reporting; (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 (see "Description of Other Material Contracts – Administration Agreement" for full details). If BPI fails to adequately perform any of these obligations, the Fund and its subsidiaries may fail to satisfy a wide range of obligations, including obligations to Unitholders, the Bank, governmental agencies, regulatory authorities, and others.

Potential Impact:

If the Fund or any of its subsidiaries fails to satisfy any of its obligations as a result of inadequate performance of administrative services by BPI, it may result in a material adverse effect to the Fund, including litigation or enforcement actions being taken by Unitholders, the Bank, governmental agencies, regulatory authorities and others, and/or adverse publicity. See the other risk factors within this section for additional information on potential consequences flowing from a failure to satisfy obligations or adverse publicity.

Mitigation:

The Fund and BPI maintain an annual workplan that captures the material operations of the Fund. The Trustees regularly review it to ensure that BPI is performing necessary tasks within timeframes required. The personnel of BPI who perform the administrative services for the Fund maintain, update and utilize detailed checklists and diary systems that are designed to ensure that the administrative services are appropriately performed and that critical tasks and deadlines for the Fund and its subsidiaries are not overlooked. In addition, the Trustees receive regular reports and communication from such personnel of BPI that enable the Trustees to monitor and evaluate the quality of administrative services performed. Furthermore, the Trustees and BPI's senior management have regular discussions regarding the nature, quality and quantity of the administrative services of the Fund, the systems of controls, and the personnel within BPI who perform those administrative tasks.

B. *Risks for Which Meaningful Mitigation Strategies and Tactics Do Not Exist*

1. 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. Unitholders are advised to consult their own tax advisors to determine investment eligibility of Units for their circumstances.

2. Fund not a Corporation / Nature of Units

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, 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.

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 ownership 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.

3. 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.

4. 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.

5. 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.

6. 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.

7. 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 eligible 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.

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";

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 and June 2024 Amendment to the BPI Credit Facilities and BPI GSA and Subsidiaries GSAs";
5. the Governance Agreement referred to under "Description of Royalties LP – Governance Agreement" and "Description of Other Material Contracts – 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 "Overview and 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 "Overview and Corporate Structure – Boston Pizza Holdings Trust" and "Description of the Fund – Trust Units";
12. the Administration Agreement referred to under "Description of Other Material Contracts – 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";
17. the Pandemic Recovery Plan Amendment Agreement"; and
18. the Virtual Brand Agreement referred to in "General Development of the Business – Virtual Brand".

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 March 28, 2025, 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.

NOTE REGARDING FINANCIAL INFORMATION OF BPI

As noted above, the Fund files BPI's financial statements and Management's Discussion and Analysis (collectively, the "**BPI Disclosures**") pursuant to an undertaking dated July 9, 2002 provided by BPI to the Canadian Securities Commissions. BPI's senior management prepares the BPI Disclosures and provides them to the Fund for filing on its behalf. The Trustees do not oversee the preparation of the BPI Disclosures. The auditors of BPI report to the sole shareholder of BPI and not to Unitholders. The Fund does not own, control, or consolidate BPI and therefore, the Fund's disclosure controls and procedures and its internal controls over financial reporting do not encompass BPI or BPI's internal controls over financial reporting. The BPI Disclosures are the responsibility of BPI and its directors and officers and not the Fund and its Trustees and officers. The Fund provides no assurances as to its accuracy or completeness. The Fund disclaims any and all liability for the BPI Disclosures.

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;
- how the Special Distribution is not expected to become a regular practice in future years;
- maintenance of franchisee relationships;
- the success of BPI, BP Canada LP and Boston Pizza Restaurants, and the amount of Franchise Sales, Royalty Income, Distribution Income and Distributable Cash available for distribution to Unitholders, being dependent upon many economic factors, including inflation, interest rates, rising input costs, unemployment rates, consumer demand, recession risks, supply chain disruptions, labour availability, and other significant events;
- the expectation that effective management among the Trustees, BPI and BP Canada LP for the oversight of climate-related risks and opportunities will be essential in ensuring sustainability and long-term success of the Fund, BPI, BP Canada LP and Boston Pizza Restaurants;
- the outcome of the assessment of identifying climate-related risks and opportunities applicable to BPI, BP Canada LP and Boston Pizza Restaurants;
- the impact of mandatory reporting requirements regarding climate-related risks and opportunities being adopted in Canada;
- increased focus in the marketplace on climate-related risks and opportunities affecting business;
- 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 distributions will be funded and how changes in distributions will be implemented;
- volatility in the market price of Units;
- BPI repaying or refinancing the BPI Credit Facilities upon maturity;
- Royalties LP and Holdings LP maintaining their debt service obligations and ability to refinance the Credit Facilities upon maturity;
- the Fund continuing to qualify as a mutual fund trust for the purposes of the Tax Act;
- the success of the Fund, BPI, BP Canada LP and Boston Pizza Restaurants, including the amount of Franchise Sales, Royalty Income, Distributions and Distributable Cash available for distribution depending on both consumer demand and restaurant-level operations;
- consumer demand being driven by consumer confidence and discretionary spending, both of which are influenced by macroeconomic factors such as inflation and interest rates, wage growth and unemployment levels, recession risks, competition within the restaurant industry, evolving consumer preferences, and major geopolitical developments;
- restaurant level success being impacted by supply chain disruptions, labour availability, rising input costs, and other operational challenges;
- BPI's management remaining proactive and committed to adjusting its business strategy to effectively address challenges and sustain positive sales momentum in 2025;
- the Fund, BPI and BP Canada LP proactively preparing to meet emerging reporting requirements related to climate-related risks and opportunities;
- BPI's procurement team continuously engaging in negotiations with leading suppliers to secure competitive pricing for franchisees and optimize revenue opportunities for BP Canada LP;
- the future expansion of Boston Pizza Restaurants and markets with significant development potential;
- 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; and
- that Boston Pizza Restaurants will close for two to three weeks to complete a renovation.

The forward-looking information disclosed herein is based on a number of assumptions including, among other things:

- accuracy of third-party forecasts, research and market intelligence;
- the Fund maintaining the same distribution policy;
- the Fund's ability to administer and manage the Units and Trust Units;
- the Fund, BPI or its subsidiaries ability to comply with covenants and restrictions of the Credit Facilities;
- BPI and BP Canada LP can effectively identify, monitor and manage risks affecting the Fund and its subsidiaries, including, but not limited to: information technology security; climate-related risks and opportunities; and business risks;
- the impact of and response to climate-related risks and climate change;
- the impact of and response to changing competitive landscapes and guest behaviours;
- the success and impact of Boston Pizza's promotional, sales and marketing tactics;
- strategies and efforts to strive for profitability of BPI, BP Canada LP and Boston Pizza Restaurants;
- ethical and sustainable business practices and strategies;
- the public and guest perception of Boston Pizza;
- absence of amendments to material contracts;
- absence of changes in law;
- protection of BP Rights;
- expectations of future supply and pace of commercial real estate development;
- franchisees' and potential franchisees' access to financing;
- franchisees duly paying franchise fees and other obligations;

- no closures of Boston Pizza Restaurants that materially affect the amount of Royalty Income or Distribution Income paid by BPI and BP Canada LP, respectively, to the Fund;
- expectations related to future general economic conditions;
- future results being similar to historical results;
- 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;
- Boston Pizza's ability to remain relevant to guests;
- culinary innovation and menu re-pricing;
- continuing operations of key suppliers;
- availability of experienced management and hourly employees;
- the absence of significant supply chain interruptions;
- ability to respond to, address or mitigate high interest rates, increasing input costs, labour shortages and sustainability or climate-related issues including extreme weather events;
- ability to obtain qualified franchisees;
- ability to open sufficient new Boston Pizza Restaurants to replace Franchise Sales of Closed Restaurants;
- ability to comply with federal, provincial and local laws and regulations;
- ability to comply with disclosure obligations pursuant to franchise laws and regulations;
- ability to obtain and maintain the necessary licenses, permits and approvals;
- ability to maintain "brand equity", intellectual property and trademark rights;
- ability to obtain and maintain adequate insurance coverage;
- ability to manage liquidity, indebtedness and avoid events of default;
- 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 qualified employees, key personnel and qualified franchisees and operators;
- ability to manage cybersecurity and privacy risks;
- ability to invest and incorporate new equipment and technology;
- to adapt to changes in operating environments and economic conditions;
- ability to manage future tax obligations and laws;
- BPI and BP Canada LP's competitive strengths; and
- no breaches by the Fund, its subsidiaries, BPI or BPI's Subsidiaries of any covenants in any material contract to which it is party.

This forward-looking information involves a number of risks, uncertainties and future expectations including, but not limited to:

- competition;
- consumer spending habits
- consumer demand in the retail sector;
- household debt;
- weather;
- climate change;
- pricing;
- changes in demographic trends;
- changes in consumer preferences and discretionary spending patterns;
- changes in national and local business and economic conditions;
- changes in the supply and sourcing of agricultural products and input materials;
- legislation and government regulation;
- employee claims and related liability;
- cash distributions are not guaranteed;
- financial reporting and accounting controls, policies and practices;

- economic uncertainty;
- the results of operations and financial conditions of BPI, BP Canada LP and the Fund;
- inflation;
- changes in interest rates;
- labour availability, cost and efficiency;
- food safety;
- legal and regulatory risks, including regulations governing food services and alcoholic beverages, laws concerning employees, sales tax regulations, regulations governing franchises, intellectual property
- disease outbreaks;
- Boston Pizza Restaurant closures and openings;
- successful challenge of the BP Rights;
- availability and adequacy of insurance;
- indebtedness of BPI;
- indebtedness of franchisees;
- increases in the rate of SIFT Tax;
- litigation against franchisees;
- inability to attract and retain key personnel, and dependence on such key personnel;
- cybersecurity, system failure and data breaches, and failure of information technology systems to remain current and satisfy future needs;
- environmental, social and governance matters;
- franchisee relations;
- growth of Royalty Income and Distribution Income, franchisee performance and closing of Boston Pizza Restaurants;
- availability and quality of raw materials, supply chain, vendor dependency, and ethical and sustainable sourcing;
- adverse effects actual or alleged incidents, and impact of media, publicity and social media;
- higher menu prices and menu inflation;
- Boston Pizza Restaurant closures and openings;
- debt of franchisees of BP Canada LP, including degree of debt leverage and interest rate risk;
- global disruptions including geopolitical events, war or hostilities, terrorist or military activities, or natural disasters; and
- risks related to the structure of the Fund, including the dependence of the Fund on BPI and BP Canada LP, leverage risks, cash distributions not being guaranteed, income tax matters, adequate performance by BPI of administrative services, investment eligibility, nature of Units, restrictions of certain Unitholders and liquidity of Units, unpredictability and volatility of Unit prices, the Fund may issue additional Units diluting existing Unitholders' interests, possible Unitholder liability, distribution of securities on redemption of Units or termination of the Fund.

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 of the Committee

The Board of Trustees (the “**Board**”) of Boston Pizza Royalties Income Fund has established the Audit Committee (the “**Audit Committee**”) to assist the Board with its oversight responsibilities of certain matters. The “**Fund**” means, individually and collectively, Boston Pizza Royalties Income Fund and all its direct and indirect subsidiaries.

The Fund has delegated the day-to-day management and administration of the business of the Fund to Boston Pizza Royalties Limited Partnership (the “**Manager**”) through an Amended and Restated Administration Agreement dated effective September 22, 2008 (the “**Administration Agreement**”). Any powers or authority not so delegated remain with the Board. The Manager’s general partner, Boston Pizza International Inc. is responsible for performing the obligations of the Manager to the Fund, subject to the supervisory role of the Board.

The Fund also has contractual rights to receive reports, and to inspect and monitor aspects of the business of Boston Pizza International Inc. and its direct and indirect subsidiaries (individually and collectively, “**BPI**”). The purpose of these contractual rights includes but is not limited to a) the protection of the Fund’s sources of revenue; b) the protection of the Fund’s intellectual property assets licensed to BPI; and c) BPI’s ability to pay the royalties and distributions owed to the Fund. The Board and the Fund do not have authority over, or the responsibility for the stewardship of BPI, and for overseeing the management and the business of BPI.

The Fund also has legal obligations to file BPI’s public disclosure requirements, such as its consolidated financial statements and MD&A (the “**BPI Disclosures**”), pursuant to an undertaking dated July 9, 2002, provided by BPI to the Canadian Securities Commissions. BPI senior management prepares the BPI disclosures and provides them to the Fund for filing for public disclosure. The auditors of BPI report to the sole shareholder of BPI, and not the Trustees or unitholders of the Fund. The Board does not oversee BPI’s internal control over financial reporting processes, its disclosure controls and procedures, or its preparation of BPI Disclosures. The Fund provides no assurances as to the accuracy or completeness of the BPI Disclosures.

However, the Trustees receive reports and make appropriate inquiries regarding the BPI systems and processes BPI uses to carry out its duties under the Administration Agreement to prepare the Fund’s financial reporting and related public disclosures upon which the Fund relies.

More specifically, the purpose of the Audit Committee is to assist the Board in its oversight of:

1. The quality and integrity of the Fund’s financial reporting and related public disclosures.
2. The qualifications, performance, and independence of the Fund’s external auditors.
3. The system of internal controls over disclosure, financial reporting, and the safeguarding of assets, data, and information systems.
4. The performance and independence of BPI’s internal audit function for the Fund.
5. Compliance with legal, regulatory and other requirements relating to the Fund’s financial reporting and disclosures.
6. The implementation of appropriate systems and processes to identify and manage the Fund’s principal risks.
7. The annual royalty pool adjustments with BPI.

8. The Fund's distributions to its unitholders pursuant to the Fund's distribution policy.
9. The Fund's whistleblower and complaint handling process.

II. Committee Composition

1. The Audit Committee shall consist of at least three Trustees, each of whom shall be an independent Trustee, as defined under National Instrument 52-110 – Audit Committees. No member of the Committee shall be a director, officer or employee of BPI.
2. The Audit Committee members shall be appointed by the Board. An Audit Committee member may be removed or replaced at any time at the discretion of the Board.
3. All members of the Audit 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's financial statements.
4. The Chairperson of the Committee shall be appointed by the Board. The Chairperson shall have a recognized accounting designation or relevant financial management expertise.

III. Committee Organization and Meetings

1. The Audit Committee will meet at least five (5) times per year. The Chairperson of the Audit Committee shall set the agenda, date and time for such meetings. Additional meetings may be held as deemed necessary by the Chairperson of the Audit Committee
2. If the Chairperson of the Audit Committee consents, members of the Audit Committee may participate in a meeting of the Audit 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.
3. A quorum for the transaction of business at all meetings of the Audit Committee shall be a majority of the members of the Audit Committee. Questions arising at any meeting shall be determined by a majority of votes of the Audit Committee members present. In the case of an equality of votes the Chairperson of the Audit Committee shall not have a second casting vote, and the matter shall be deferred to a future meeting.
4. The Audit Committee shall have the right to determine who shall and shall not be present at any time during a committee meeting. The President, the Chief Financial Officer and the General Counsel of BPI are expected to be available to attend Audit Committee meetings.
5. Minutes of Audit Committee meetings shall be recorded and maintained by a recording secretary delegated by BPI and subsequently presented to the Audit Committee for approval.
6. The Audit Committee will report to the Board on any material discussions or on any committee decisions or recommendations at the next regularly scheduled Board meeting.
7. At every regularly scheduled meeting, the Audit Committee shall hold separate in-camera sessions with the external auditor and with the internal auditor, without representatives of BPI or BPI present. The Committee shall also hold an in-camera session with just committee members at every regularly scheduled meeting.

8. The Fund's external and internal auditors shall be given notice of and have the right to appear before and to be heard at every Audit Committee meeting and shall appear before the Audit Committee when requested to do so by the Audit Committee.

IV. Responsibilities of the Audit Committee

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

1. Financial Reporting and Public Disclosure

Prior to any public disclosure, the Audit Committee shall review, discuss, and recommend to the Board:

- a) the annual audited consolidated financial statements of the Fund, together with the related management discussion and analysis ("MD&A");
- b) the annual unconsolidated financial statements of the Fund and its subsidiaries;
- c) the interim unaudited consolidated financial statements of the Fund, together with the related MD&A;
- d) the Fund's earnings press releases and distribution announcements;
- e) all press releases containing material financial or forward-looking financial information.
- f) the Fund's annual report and annual information form; and
- g) all other material financial information of the Fund contained in any public disclosure documents, including i) prospectuses and other offering memoranda, ii) investor presentations, iii) or other documents containing financial or forward-looking financial information and statements required by regulatory authorities (including disclosures related to climate and sustainability related risks).

2. Accounting and Financial Management

- a) The Audit Committee shall review with BPI and the external auditor:
 - i) all critical accounting policies and practices used as well as significant management estimates, assumptions and judgments, and any emerging accounting issues, changes in accounting policies, or financial reporting requirements that may affect the Fund's financial reporting;
 - ii) any material off-balance sheet financing mechanisms, transactions or obligations of the Fund;
 - iii) any related party transactions with the Fund as defined under International Financial Reporting Standards;
 - iv) any current or proposed changes in legislation, guidelines or regulations impacting the Fund's financial reporting;
 - v) any significant transactions and other potentially difficult matters whose treatment in the Fund's annual consolidated financial statements merits advance consideration; and

- vi) any correspondence with securities regulators which raise material issues regarding the Fund's consolidated financial statements or accounting policies, and review in advance and approve any communications regarding material financial matters between the Fund and applicable securities regulators.
- b) The Audit Committee shall:
 - i) review reports provided by BPI of the status of any existing, pending, or threatened litigation, claims and assessments against the Fund, and the adequacy of any financial provisions; and
 - ii) review reports provided by BPI's CFO regarding compliance of the Fund with all financial covenants included its lending agreements with its lenders.

3. External Auditor

The external auditor is accountable to, and shall report directly to the Audit Committee, The Audit Committee shall:

- a) oversee the work of the external auditor and communicate directly with the external auditor as required;
- b) annually review the performance of the external auditor and assess the independence, qualifications, expertise, and resources of the audit team and lead partner;
- c) require the external auditor to deliver a report on their independence and quality control procedures;
- d) annually review and recommend to the Board, the appointment, retention, or replacement of the external auditor;
- e) if there is a plan to replace the external auditor, review all issues related to the change and the steps planned for an orderly transition;
- f) annually review and recommend to the Board, approval of the external auditor's terms of engagement, and the remuneration of the external auditor;
- g) review and approve the annual audit plan of the external auditor;
- h) pre-approve all non-audit services to be provided by the external auditors to obtain assurance that the performance of such services will not compromise the independence of the external auditor;
- i) review the management representation letter to the external auditor;
- j) review and discuss the external auditor's report on the results of their audit of the Fund, including any audit differences, any areas of significant audit focus, any internal control deficiencies identified, and any management letter recommendations;
- k) review issues and any concerns that may be brought forward by the external auditors;
- l) resolve any disagreements between the external auditors and BPI; and
- m) review and approve BPI's hiring policies regarding employees and former employees of the external auditor of the Fund and of BPI.

4. Internal Controls

The Committee shall require BPI to implement and maintain appropriate systems of internal controls, including disclosure controls and procedures (“**DC&P**”), controls over financial reporting (“**ICFR**”), and controls to prevent and detect fraud, error, or illegal activities to ensure the Fund meets its continuous disclosure obligations. In its oversight of internal controls, the Audit Committee shall:

- a) ensure that due diligence processes and an adequate system of internal controls in connection with the certification of the Fund’s annual and interim filings are in place, monitoring their continued effectiveness, and ensure such filings are in a form that permits their certification;
- b) review the processes relating to the certifications made by BPI’s CEO and CFO on the design and effectiveness of the Fund’s DC&P and ICFR;
- c) obtain assurance from the external and internal auditors regarding the overall control environment and the adequacy of the Fund’s system of internal controls;
- d) receive reports and discuss any weaknesses or deficiencies in the design or operation of internal controls made to the Audit Committee by BPI’s Chief Financial Officer and Chief Executive Officer during their certification process for forms filed with applicable securities regulators (“CEO and CFO certifications”);
- e) make recommendations to the Board respecting the Fund’s Disclosure Policy as necessary;
- f) review the independent audit firm’s report on the specified procedures over ICFR and discuss any findings with BPI;
- g) discuss with BPI, the guidelines and policies with respect to the Fund’s financial, fraud and disclosure risk assessments;
- h) review reports provided by BPI on any fraud or illegal activities against the Fund;
- i) review minutes from BPI’s Disclosure Committee meetings; and
- j) review and discuss BPI’s Disclosure Committee annual self-evaluation.

5. Internal Audit

Internal audit will report functionally to the Audit Committee and administratively to the Chief Financial Officer of BPI. Internal audit will report quarterly on the results of internal audit activities and will have direct access to the Chairperson of the Audit Committee as needed. The Audit Committee shall:

- a) review and approve the internal audit charter;
- b) review and approve the annual internal audit plan, including assessment of major risks and priority areas of focus, and monitor performance against such plan;
- c) consider the independence, expertise, and resources of the internal audit function, and determine whether external resources should be engaged for certain internal audit activities;

- d) review quarterly internal audit reports on their activities, findings, recommendations, and BPI's responses; and
- e) review and approve the annual external engagement for specified procedures over ICFR and review and discuss any findings with internal audit and BPI.

6. Risk Management

The Audit Committee shall require BPI to implement and maintain an effective risk management framework for the Fund to identify, assess, manage, and monitor material risks that could impact the Fund. In its oversight of risk management, the Audit Committee shall:

- a) oversee the Fund's enterprise risk management processes for identifying, assessing, managing, and where required, reporting on key and emerging risk exposures;
- b) review and recommend to the Board, approval of the Fund's Enterprise Risk Management Policy and Risk Appetite Statement;
- c) review semi-annual reports of current and emerging risks that could have a material financial impact on the Fund;
- d) consider the adequacy and effectiveness of risk mitigation plans and policies to ensure risks are maintained within acceptable risk tolerances;
- e) assess whether material risks have been appropriately reflected in the Fund's financial reporting and required public disclosure;
- f) monitor the Fund's financial risks, and approve any hedging strategies to manage interest rate exposures;
- g) review and discuss quarterly cybersecurity reports with BPI;
- h) consider reports on business continuity, disaster recovery planning, and external threat monitoring for the Fund, BPI, and franchisee restaurants, including climate-related physical and transition risks;
- i) review BPI's approach for safeguarding the Fund's assets and data, as well as the information systems on which the Fund relies; and
- j) review the adequacy of insurance coverages maintained by the Fund (excluding director and officer insurance), and approve new insurance coverage and renewals thereof, as applicable.

7. Other Key Responsibilities

The Committee shall:

- a) review the Fund's financial outlook and cash flow projections under a plausible range of planning scenarios;
- b) review and consider BPI's recommendation regarding monthly distributions for the Fund pursuant to the Fund's distribution policy, and recommend monthly and special distribution amounts, and accompanying press releases to the Board for approval;

- c) review and recommend approval of the annual 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;
- d) 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 units are within two percent (2%) of each other before and after true-up;
- e) review the audited statements of franchise revenues reported by Boston Pizza restaurants and the external auditor's report thereon;
- f) review the external auditor's report on specified audit procedures for Boston Pizza Canada Limited Partnership;
- g) establish procedures for the receipt, retention and treatment of complaints received by the Fund regarding accounting, internal accounting controls, or auditing matters; and the confidential, anonymous submission by employees of BPI, or BPI concerns regarding questionable accounting or auditing matters;
- h) review compliance reports from management regarding (a) regulatory matters, (b) CEO and CFO certification, (c) Canadian ownership of the Fund, and (d) related party transactions;
- i) review and approve authorization spending limits for the Fund's expenses;
- j) review the independent audit firm's report on the agreed upon procedures relating to BPI franchise sales audits;
- k) receive quarterly certifications from BPI's CEO and CFO addressed to the Fund and the Trustees on the design and effectiveness of BPI's DC&P and ICFR, and any weaknesses or deficiencies in the design or operation of internal controls, in relation to BPI's consolidated financial statements, and management's discussion and analysis;
- l) meet with BPI's management team and external auditors on a quarterly basis to discuss BPI's financial disclosures and the external auditor's report prior to the public filing of such disclosures;
- m) review and discuss the external auditor's report on the results of their audit of BPI's annual audited consolidated financial statements;
- n) obtain written consent from BPI's auditors regarding the public filing of their report with BPI's annual audited financial statements; and
- o) complete other duties the Board may assign.

V. Right to Engage Independent Advisors

The Audit Committee has the right to engage separate independent financial, legal, and/or other advisors whenever the Audit Committee determines prudent, advisable or necessary, with the expense of such services being paid by the Fund.

VI. Evaluation of this Mandate

At least every three years, the Audit Committee shall review and assess the appropriateness of this Mandate considering all applicable legislative and regulatory requirements as well as any best practice guidelines. If appropriate, the Audit Committee shall recommend changes to the Mandate to the

Governance, Nominating and Compensation Committee for its further review, and recommendation of the Board for its approval.

VII. No Rights Created

The responsibilities of the Audit Committee described in this Mandate are intended to be part of the Audit Committee's flexible governance framework. While this Mandate should comply with all applicable laws and the Fund's constituting documents, this Mandate does not create any legally binding obligations on the Audit Committee or the Board, or any member of the Audit Committee.