BOYD GROUP SERVICES INC.

(formerly reporting as Boyd Group Income Fund)

ANNUAL INFORMATION FORM
FOR FISCAL YEAR ENDED
DECEMBER 31, 2019

March 17, 2020
1745 ELLICE AVENUE, UNIT C1
WINNIPEG, MB   R3H 1A6

BOYD GROUP SERVICES INC.
(formerly reporting as Boyd Group Income Fund)

ANNUAL INFORMATION FORM
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BOYD GROUP SERVICES INC.
(formerly reporting as Boyd Group Income Fund)

Unless otherwise specified, the information in this AIF has been presented as at December 31, 2019. As at December 31, 2019 Boyd Group Services Inc. ("BGSI") operated as Boyd Group Income Fund (the "Fund"). Pursuant to a plan of arrangement agreement, under the Canada Business Corporations Act, on January 1, 2020, Fund unitholders and Boyd Group Holdings Inc. Class A common shareholders received one BGSI common share in exchange for each Fund unit and BGHI Class A common share held by them. As the Arrangement was effective on January 1, 2020, information presented in this AIF as at, and for periods prior to, or ending December 31, 2019, is provided for the Fund and information provided at January 1, 2020 and later is provided for BGSI. Therefore, as the context requires, references may be made to either the Fund or BGSI.

CORPORATE STRUCTURE

Boyd Group Services Inc.

Effective January 1, 2020, Boyd Group Income Fund (the "Fund") completed the conversion from an income trust to a public corporation known as Boyd Group Services Inc. ("BGSI"), pursuant to a plan of arrangement under the *Canada Business Corporations Act* (the "Plan").

Pursuant to the Plan, Fund unitholders and Boyd Group Holdings Inc. ("BGHI") Class A common shareholders received one BGSI common share in exchange for each Fund unit and BGHI Class A common share held by them. BGSI now owns all of The Boyd Group Inc.'s ("Boyd" or "Company") business and assets. BGSI common shares commenced trading on January 2, 2020 on the Toronto Stock Exchange and the Fund units were concurrently voluntarily delisted.

As the Plan was effective on January 1, 2020, information presented in this AIF as at, and for periods prior to, or ending on December 31, 2019, is provided for the Fund, and information provided at January 1, 2020 and later is provided for BGSI. Therefore, as the context requires, references may be made to either the Fund or BGSI.

For more information on the Plan and its affect, please see the Fund's Notice of Meeting and Information Circular dated October 14, 2019.

The principal and head office of BGSI is located at 1745 Ellice Avenue, Unit C1, Winnipeg, Manitoba, R3H 1A6.

The Fund

Boyd Group Income Fund (the "Fund") is an unincorporated open-ended mutual fund trust established under the laws of the Province of Manitoba. The Fund was created pursuant to a declaration of trust dated as of December 16, 2002 between the initial trustees of the Fund (the "Trustees") and 4612094 Manitoba Inc. as the initial unitholder of the Fund. On February 25, 2003 the Trustees and the initial unitholder of the Fund entered into an amended and restated declaration of trust dated as of February 25, 2003 (the declaration of trust, as amended and restated being referred to herein as the "Declaration of Trust"). The Declaration of Trust was further amended by the Trustees in August, 2003 to permit the issuance of fractional interests in Units and further amended by the unitholders of the Fund on May 15, 2018 to provide for the adoption of advance notice requirements for nominations of Trustees by unitholders. On December 3, 2019, unitholders voted in favor of the Plan, with 97.77% of votes cast being voted in favor.

The principal and head office of the Fund is located at 1745 Ellice Avenue, Unit C1, Winnipeg, Manitoba, R3H 1A6.

Plan of Arrangement

On February 25, 2003, the Fund was established for the primary purpose of acquiring and holding a controlling interest in Boyd. After having obtained the approval of its securityholders and the Manitoba Court of Queen's Bench, Boyd reorganized on February 28, 2003 into an income trust structure as more particularly described beginning at page 40 of the Prospectus of the Fund dated February 14, 2003 (the "Prospectus"), under the heading "Fund and Arrangement", which excerpt is incorporated by reference herein.

On September 19, 2019, BGSI was established for the primary purpose of acquiring and holding a controlling interest in the Fund. After having obtained the approval of the Fund's unitholders and BGHI's common shareholders and the Manitoba Court of Queen's Bench, BGSI acquired all of the units and BGHI common shares in exchange, on a one-for-one basis, for common shares of BGSI, as more particularly described at Appendix D of the Management Information Circular (the "Circular"), under the heading "Arrangement Agreement", which excerpt is incorporated by reference herein.

Structure of the Fund

On February 25, 2003, the Fund became the holder of all of the issued and outstanding Class I shares of Boyd ("Boyd Class I Shares") and BGHI became the holder of all of the issued and outstanding Class II shares of Boyd ("Boyd Class II Shares"). Boyd's authorized and issued share capital also included an unlimited number of Class III shares ("Boyd Class III Shares"). On May 30, 2005 the articles of Boyd were amended to modify the attributes of the Class I Shares. The change was done to enable the Fund and Boyd to change the level of distributions and dividends and maintain equality between unitholders of the Fund and shareholders of Boyd Group Inc. ("BGI").[1] On October 31, 2007 the articles of Boyd were amended to create an unlimited number of Class IV shares ("Boyd Class IV Shares") in order to facilitate the resumption of distributions. For a more detailed description of the Fund's authorized and issued unit capital, please see Note 21 to the consolidated financial statements included on page 90 of BGSI's 2019 Annual Report, which description is incorporated by reference herein.

On January 1, 2020, the Fund exchanged all of its BGI Class I Shares for BGI Class A Preferred Shares on the basis of one BGI Class I Share for one BGI Class A Preferred Share and all of its BGI Class IV Shares for BGI Class B Preferred Shares on the basis of one BGI Class IV Share for one BGI Class B Preferred Share. Also on January 1, 2020, BGHI exchanged all of its BGI Class II Shares for BGI Common Shares on the basis of one BGI Class II Share for one BGI Common Share. As of March 17, 2020 there were 20,022,381 BGI Class A Preferred Shares and 2,062,863 BGI Common Shares of Boyd issued and outstanding, all of which are owned by the Fund and BGHI, respectively. There are presently no issued and outstanding Class III Shares. The Company also has 67,730 issued and outstanding BGI Class B Preferred Shares. The Fund owns 100% of the issued and outstanding BGI Class A Preferred Shares and BGI Class B Preferred Shares of Boyd. As of March 17, 2020, BGHI owns 100% of the issued and outstanding BGI Common Shares of Boyd. BGHI is controlled by the Fund.

[1] In conjunction with the Fund's decision to reduce distributions (see page 8 of the Fund's 2006 Annual Report under the heading Distributable Cash for a description of the discontinuance of distributions) the articles of Boyd were amended on May 30, 2005 to create a new class of shares, being New Class I shares and converting each existing Class I share into a New Class I share. This amendment has the affect of continuing to have dividends, as and when declared on each Class II share of Boyd (and subsequently paid on to the shareholders of BGHI) be equal in amount to distributions paid on each unit of the Fund, regardless of the level of distributions on units of the Fund, after which dividends could be declared and paid on New Class I shares and Class II shares in a pro rata amount.

As of March 17, 2020, the Fund holds $41.8 million in 5.75% promissory notes due January 1, 2030, $6.8 million in 8.58% notes due January 1, 2024, $25.0 million in 8.58% notes due January 1, 2024, $30.0 million in 8.58% notes also due January 1, 2024, and $108.0 million in 5.0% notes due September 29, 2027 ("Notes") from The Boyd Group (U.S.) Inc. – a subsidiary of Boyd. As part of a corporate restructuring between The Boyd Group (U.S.) Inc., Boyd and the Fund, on January 1, 2011, the Notes which were previously loaned to Boyd were repaid and the Fund then loaned $41.8 million to The Boyd Group (U.S.) Inc. as evidenced by the Notes. A new note in the amount of $6.8 million bearing interest at 10.8%, due September 27, 2016, was entered into as a result of the bought deal public unit offering which occurred on September 27, 2011. On December 19, 2012 in connection with the convertible debenture offering, a new 7.8% $25.0 million note, due December 19, 2019 was issued. At the same time the $6.8 million note was amended for a reduction in the interest rate from 10.8% to 7.8%. On October 22, 2013 in connection with the bought deal public unit offering which occurred on October 15, 2013 another new note for $30.0 million at 8.58% was issued. At the same time the $6.8 million note was further amended for an increase in interest rate to 8.58% and extend the maturity date to January 1, 2024. Also, at the same time, the $41.8 million note was amended to reduce the interest rate to 6.5% and extend the maturity date to January 1, 2020 and the $25.0 million note was amended to increase the interest rate to 8.58% and extend the maturity date to January 1, 2024. A new note in the amount of $108.0 million bearing interest at 3.3%, due September 29, 2017, was entered into as a result of the bought deal public debenture and unit offering which occurred on September 29, 2014. On January 4, 2016, $11.0 million of the $25.0 million note was assigned by the Fund to the Company. This assignment was related to the conversion and redemption of the Fund's 2012 convertible debentures and was made in exchange for the Company issuing 11,000 Class IV shares to the Fund. On September 29, 2017, a loan extension and amendment agreement was signed that extended the maturity of the $108.0 million note to September 29, 2027 and increased the interest rate from 3.3% to 5.0%. On October 16, 2017, $83.5 million of the $108.0 million note was assigned by the Fund to the Company. This assignment was related to the conversion and redemption of the Fund's 2014 convertible debentures and was made in exchange for the Company issuing 83,500 Class IV shares to the Fund. On December 31, 2019, $11.0 million of the $25.0 million note was reassigned by the Company to the Fund in exchange for the redemption of 11,000 Class IV shares. At the same time, $83.5 million of the $108.0 million note was also reassigned by the Company to the Fund in exchange for the redemption of 83,500 Class IV shares. On December 31, 2019, a loan extension and amendment agreement was signed that extended the maturity of the $41.8 million note to January 1, 2030 and decreased the interest rate from 6.5% to 5.75%. See page 15 of the Fund's 2019 Annual Report, under the heading "Boyd Group Income Fund and Boyd Group Services Inc.", for a more detailed description of the Notes, which description is incorporated by reference herein.

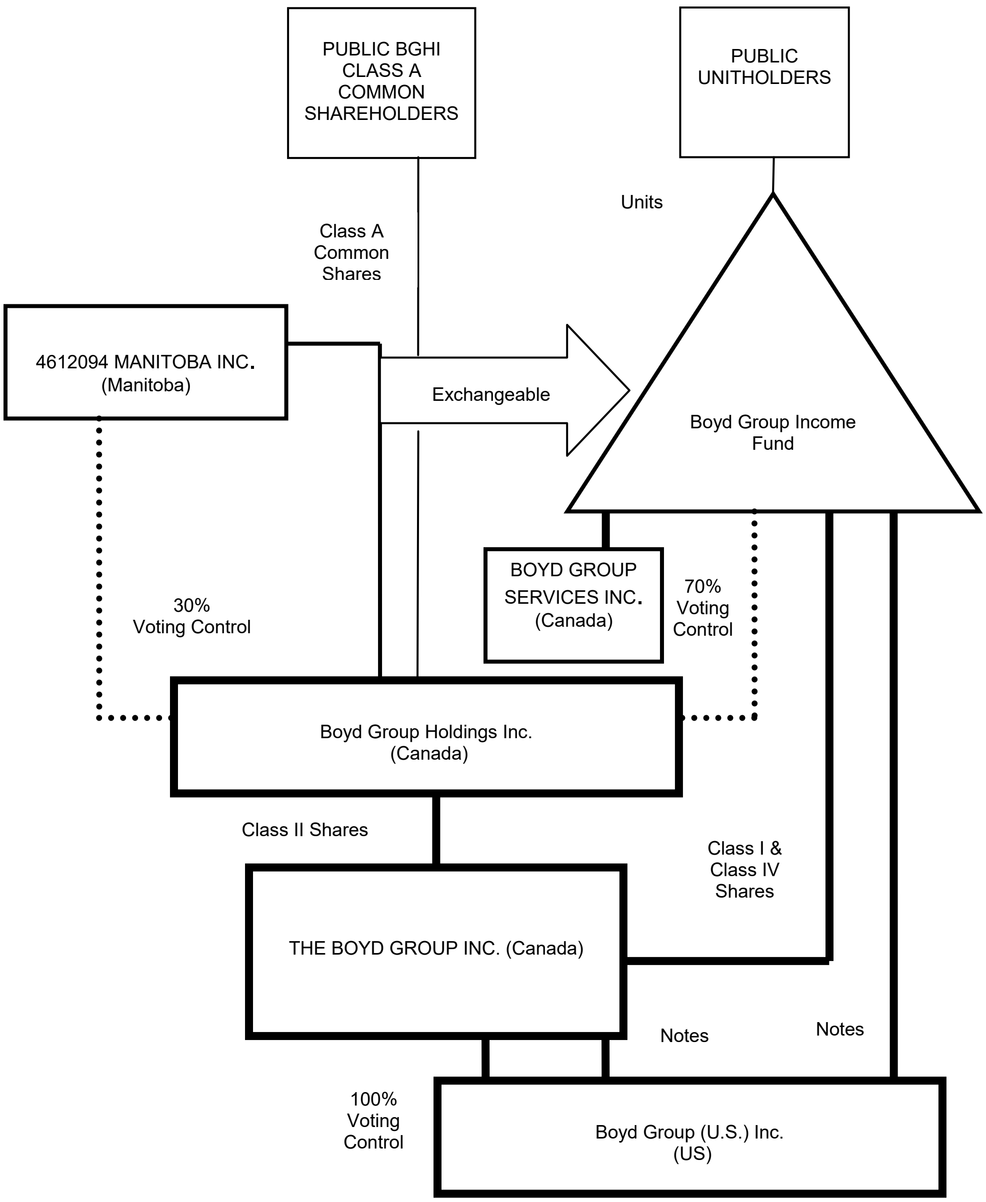
The authorized capital of BGHI as of March 17, 2020 consisted of 184,813 Class A common shares, an unlimited number of Class B common shares of which 1,852,619 are issued and outstanding, an unlimited number of Class C common shares of which 25,431 are issued and outstanding, and an unlimited number of Voting Shares of which 100,000,000 are issued and outstanding. BGSI owns all of the Class A common shares and 30,000,000 voting shares of BGHI. As a result, BGSI owns approximately 29.6% of the voting securities of BGHI. The Fund owns 70,000,000 Voting Shares of BGHI. As a result, the Fund owns approximately 68.6% of the voting securities of BGHI. All of the issued and outstanding Class B and C common shares of BGHI are owned by Boyd. As a result, Boyd holds 1.8% of the voting securities as a reciprocal investment in BGHI.

As of March 17, 2020, BGSI owns 100% of the outstanding units of the Fund.

As of March 17, 2020 there were 20,207,194 Shares of BGSI issued and outstanding.

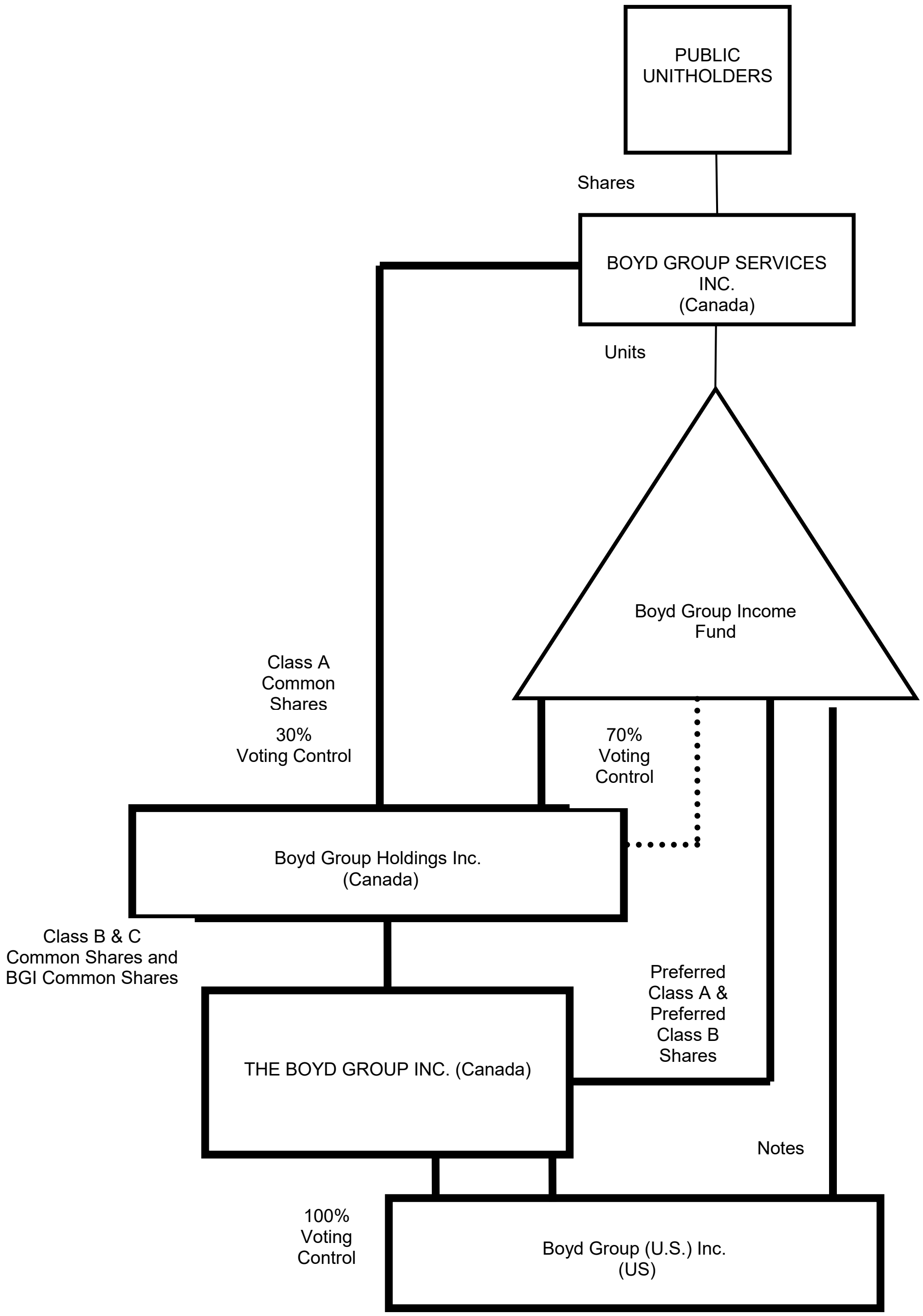
Structure of the Fund and Boyd as at December 31, 2019

The following diagram sets forth the organizational structure of the Fund and Boyd as at December 31, 2019:



Structure of the BGSI, the Fund and Boyd as at March 17, 2020

The following diagram sets forth the organizational structure of BGSI, the Fund and Boyd as at March 17, 2020:



Corporate Structure *

Boyd Corporate Structure as at December 31, 2019 is:

- Boyd Group Income Fund –
  - Boyd Group Holdings Inc.
  - The Boyd Group Inc.
    - Assured Automotive (2017) Inc.
      - Regent Auto Body Inc.
      - 1840224 Ontario Inc.
    - The Boyd Group (U.S.) Inc.
      - The Gerber Group Inc.
        - Cars Collision Center, L.L.C.
        - True2Form Collision Repair Centers, Inc.
          - True2Form Collision Repairs Centers, LLC
      - Service Collision Center (Georgia), Inc.
      - Gerber Collision & Glass (Kansas), Inc.
      - Service Collision Center (Oklahoma) Inc.
      - Collision Service Repair Center, Inc.
      - AMPB Acquisition Corp.
      - Kingswood Collision, Inc.
      - Gerber Collision (Northeast), Inc.
      - Gerber Collision (Colorado) Inc.
      - Gerber Collision (Idaho), Inc.
      - Gerber Real Estate Inc.
      - Gerber Payroll Services, Inc.
      - Master Collision Repair, Inc.
      - Hansen Collision, Inc.
        - Hansen Leasing, Inc.
      - Collision Revision, Inc.
      - Collex Collision Experts, Inc.
      - Gerber Collision (Louisiana), Inc.
        - Champ's Holding Company, L.L.C.
      - Gerber Collision (Oregon), Inc.
      - Gerber Collision (Utah), Inc.
      - Gerber Collision (Tennessee), Inc.
      - Gerber Collision (NY), Inc.
        - Carubba Collision Corp.
      - Gerber Collision (Texas), Inc.
      - Gerber Collision (Wisconsin), Inc.
      - Gerber Collision (California), Inc.
      - Gerber Glass Holdings Inc.
        - Gerber Glass, LLC
          - Glass America LLC
            - Gerber National Claim Services, LLC
            - Gerber Glass (District 2), LLC
            - Gerber Glass (District 3), LLC

Gerber Glass (District 4), LLC
Gerber Glass (District 5), LLC
    S&L Auto Glass, LLC
Gerber Glass (District 6), LLC
Gerber Glass (District 7), LLC
Gerber Glass (District 8), LLC
Glass America Southeast LLC
Glass America Midwest LLC
Hansen Auto Glass, LLC
Auto Glass Only, LLC
    Glass America Colorado LLC
    Glass America Florida LLC
    Glass America Georgia LLC
    Glass America Illinois LLC
    Glass America Massachusetts LLC
    Glass America Michigan LLC
    Glass America Midwest Burlington LLC
    Glass America Midwest Lewis Center LLC
    Glass America Midwest Lindenhurst LLC
    Glass America Midwest North Canton LLC
    Glass America Missouri LLC
    Glass America New York LLC
    Glass America Ohio LLC
    Glass America Pennsylvania LLC
    Glass America Texas LLC
    Glass America Vermont LLC
    Glass America Alabama LLC
    Glass America Kentucky LLC
    Glass America Maryland LLC
    Glass America Virginia LLC

* Indentation of companies indicates they are subsidiaries of the company directly above. On January 1, 2020, Boyd Group Services Inc. became the parent entity of Boyd Group Income Fund.

GENERAL DEVELOPMENT OF THE BUSINESS

Activities of the Fund

The Fund is a limited purpose trust and its operations and activities are restricted to:

(a) investing in securities, including those issued by Boyd and BGHI;

(b) temporarily holding cash in interest bearing accounts, short-term government debt or investment grade corporate debt for the purposes of paying its expenses, paying amounts in connection with the redemption of any Units or other securities and making distributions to the holders from time to time of Units ("Unitholders");

(c) issuing Units or securities convertible into Units for cash or in satisfaction of any non-cash distribution or in order to acquire securities, including those issued by Boyd and BGHI;

(d) issuing debt securities or otherwise borrowing as determined by the Trustees;

(e) guaranteeing (as guarantor, surety or principal obligor) the obligations of Boyd, BGHI or any affiliate of Boyd, BGHI or the Fund pursuant to any good faith debt for borrowed money incurred by Boyd or an affiliate, as the case may be, and pledging securities issued by Boyd, BGHI, the Fund or the affiliate, as the case may be, or any other Fund asset or any such affiliate as security for such guarantee;

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

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

(h) satisfying the obligations, liabilities or indebtedness of the Fund; and

(i) undertaking such other activities, or taking such actions, including investing in securities as are related to or in connection with the foregoing or as contemplated by the Declaration of Trust or as may be approved by the Trustees in their discretion 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 Income Tax Act (Canada) (the "Tax Act") or result in the Units constituting "foreign property" for the purposes of Part XI of the Tax Act.

Convertible Debt Offerings

As at December 31, 2019, the Fund has no convertible debt offerings outstanding.

Significant Acquisitions

On May 29, 2017, the Company entered into a definitive agreement to acquire the assets and business of Assured Automotive Inc. and related entities ("Assured"), a multi-location collision repair company operating 68 locations in the province of Ontario, including 30 intake centers co-located at automotive dealerships. The acquisition of the assets and business of Assured closed on July 4, 2017, effective July 1, 2017. On August 14, 2017, the Fund filed Form 51-203F4 (Business Acquisition Report) regarding the acquisition of Assured, which document is incorporated by reference herein.

During 2017, the Company acquired a number of businesses, which were not individually significant.

During 2018, the Company acquired a number of businesses, which were not individually significant.

During 2019, the Company acquired a number of businesses, which were not individually significant.

See pages 29-30 of BGSI's 2019 Annual Report, under the heading "Acquisitions and Development of Businesses", and Note 5 "Acquisitions" to the audited consolidated financial statements of the Fund included on pages 70-74 of BGSI's 2019 Annual Report for a detailed description of the acquisition, which descriptions are incorporated by reference herein.

Distributions

See page 38 of this report under the heading "Distributions" and pages 17-21 of BGSI's 2019 Annual Report, under the heading "Distributions and Distributable Cash" for a detailed description of distributions which description is incorporated by reference, herein.

New Debt Arrangements

On July 23, 2015, the Company amended its revolving credit facility, increasing the facility to $150 million U.S. with an accordion feature which could increase the facility to a maximum of $250 million U.S. The facility was with a syndicate of Canadian and U.S. banks and was secured by the shares and assets of the Company as well as by guarantees of the Fund and BGHI. The interest rate was based on a pricing grid of the Fund's ratio of total funded debt to EBITDA as determined under the credit agreement. The Company could draw the facility in either the U.S or in Canada, in either U.S or Canadian dollars and could be drawn in tranches as required. Tranches bore interest only and were not repayable until the maturity date but could be voluntarily repaid at any time. The Company had the ability to choose the base interest rate between Prime, Bankers Acceptances ("BA") or London Inter Bank Offer Rate ("LIBOR"). The total syndicated facility included a swing line up to a maximum of $3.0 million U.S. in Canada and $12.0 million U.S. in the U.S.

Under the revolving facility Boyd was subject to certain financial covenants which had to be maintained to avoid acceleration of the termination of the credit agreement. The financial covenants required the Fund to maintain a total debt to EBITDA ratio of less than 4.25; a senior debt to EBITDA ratio of less than 3.5 up to December 31, 2016 and less than 3.25 thereafter; and a fixed charge coverage ratio of greater than 1.03. For three quarters following a material acquisition, the total debt to EBITDA ratio could be increased to less than 4.75, the senior debt to EBITDA ratio could be increased to less than 4.0 up to December 31, 2016 and increased to less than 3.75 thereafter. The debt calculations excluded the convertible debentures.

On May 26, 2017, the Company entered into a second amended and restated credit agreement for a term of five years, increasing the revolving credit facility to $300 million U.S., with an accordion feature which can increase the facility to a maximum of $450 million U.S. The facility is with a syndicate of Canadian and U.S. banks and is secured by the shares and assets of the Company as well as guarantees by BGIF and BGHI. The interest rate is based on a pricing grid of the Fund's ratio of total funded debt to EBITDA as determined under the credit agreement. The Company can draw the facility in either the U.S. or in Canada, in either U.S. or Canadian dollars. The Company can make draws in tranches as required. Tranches bear interest only and are not repayable until the maturity date but can be voluntarily repaid at any time. The Company has the ability to choose the base interest rate between Prime, Bankers Acceptances ("BA") or London Inter Bank Offer Rate ("LIBOR"). The total syndicated facility includes a swing line up to a maximum of $5.0 million U.S. in Canada and $20.0 million U.S. in the U.S.

On October 27, 2017, the Company entered into a first amendment to the second amended and restated credit agreement. The first amendment did not materially change the agreement. All terms previously disclosed remain under the first amendment. The first amendment has been filed on www.sedar.com, which document is incorporated by reference herein.

On April 3, 2019, the Company entered into a second amendment to the second amended and restated credit agreement to expand the facility to $400.0 million U.S. through the exercise of $100.0 million of the $150.0 million available under the accordion feature. The second amendment did not materially change the agreement. All terms previously disclosed remain under the second amendment. The second amendment has been filed on www.sedar.com, which document is incorporated by reference herein.

On March 17, 2020, the Company entered into a third amendment of its credit agreement, increasing the revolving credit facility to $550 million U.S., with an accordion feature which can increase the facility to a maximum of $825 million U.S. The revolving credit facility is accompanied with a new seven-year fixed-rate Term Loan A in the amount of $125 million U.S. at an interest rate of 3.455%. The facility is with a syndicate of Canadian and U.S. banks and is secured by the shares and assets of the Company as well as guarantees by BGSI, BGIF, BGHI, and subsidiaries. The interest rate for draws on the revolver are based on a pricing grid of BGSI's ratio of total funded debt to EBITDA as determined under the credit agreement. The Company can draw the facility in either the U.S. or in Canada, in either U.S. or Canadian dollars. The Company can make draws in tranches as required. Tranches bear interest only and are not repayable until the maturity date but can be voluntarily repaid at any time. The Company has the ability to choose the base interest rate between Prime, Bankers Acceptances (“BA”), U.S. Prime or London Inter Bank Offer Rate (“LIBOR”). The total syndicated facility includes a swing line up to a maximum of $10.0 million U.S. in Canada and $30.0 million U.S. in the U.S.

Under the revolving credit facility, the Company is subject to certain financial covenants which must be maintained to avoid acceleration of the termination of the credit agreement. The financial covenants require BGSI to maintain a senior debt to EBITDA ratio of less than 3.50 and an interest coverage ratio of greater than 2.75. For four quarters following a material acquisition, the senior debt to EBITDA ratio may be increased to less than 4.00.

Under the revolving facility, the Company is subject to certain financial covenants which must be maintained to avoid acceleration of the termination of the credit agreement. The financial covenants require the Fund to maintain a total debt to EBITDA ratio of less than 4.25; a senior debt to EBITDA ratio of less than 3.50 up to March 31, 2018 and less than 3.25 thereafter; and a fixed charge coverage ratio of greater than 1.03. For three quarters following a material acquisition, the total debt to EBITDA ratio may be increased to less than 4.75 and the senior debt to EBITDA ratio may be increased to less than 4.00 up to March 31, 2018 and less than 3.75 thereafter.

For a detailed description of the debt arrangement, which descriptions are incorporated by reference herein, see pages 27-28 of the Fund’s 2019 Annual Report, under the heading “Debt Financing”.

Glass Business Arrangement

Effective January 1, 2011, a subsidiary of Boyd entered into an agreement that provided a member of its U.S. management team the opportunity to participate in the future growth of the Fund’s U.S. glass business. Boyd’s subsidiary continued to control the assets and operations of its U.S. glass business but the agreement allowed for participation by this individual in earnings and value in excess of the historical levels. At any point beyond three years from the inception of the agreement, either the individual, or the Company, had the right to trigger a sale of the glass business back to the Boyd subsidiary. To date, this has not been done.

On May 31, 2013, the Company acquired a controlling interest in the retail auto glass business of Glass America, Inc. ("Glass America"), which operated 61 retail auto glass locations across 23 U.S. states under the trade names of Glass America and Auto Glass Service. The Fund and its operating partner in its glass business each contributed their interests in their existing U.S. auto glass business ("Gerber Glass") on a relative valuation basis, along with a $6.25 million U.S. cash equity contribution into a new entity and received a combined equity interest of 70%. Boyd funded $5.25 million U.S. of the cash equity contribution and held 55.19% of the new entity, as well as operating and Board control positions. Boyd’s operating partner funded $1.0 million U.S. of the cash equity contribution and held 14.81% of the new entity. The shareholder of Glass America (“GA Contributor”) contributed the business of Glass America on a relative valuation basis for a 30% non-controlling interest position. The cash equity contributions by Boyd and its operating partner were used to pay off third party debt of Glass America. In connection with the acquisition, the GA Contributor was issued a put option, which if exercised would obligate Boyd to purchase the non-controlling interest ownership at agreed upon valuation multiples as early as June 1, 2015. At the same time Boyd obtained a call option, which would require the GA Contributor to sell its non-controlling interest ownership to Boyd at agreed upon valuation multiples as early as December 1, 2016. In connection with the Glass America acquisition, the Company terminated its original agreement with its glass operating partner and issued a new put option. At the same time Boyd obtained a call option, which would require the glass operating partner to sell his non-controlling interest ownership to Boyd. The new call and put options were not exercisable until December 1, 2016 and were exercisable anytime thereafter by the glass operating partner or Boyd. The call and put options may have been exercised before December 1, 2016 upon the occurrence of certain unusual events such as a change of control or resignation of the glass operating partner. Under the call and put options, Boyd had the option, but not the obligation, to pay the purchase price by delivery of Boyd units of a value equal to the purchase price.

On October 31, 2016, the Fund amended the May 31, 2013 agreement with its glass operating partner. The put option held by the glass operating partner continues to provide an option to put the business back to the Fund according to a valuation formula defined in the agreement; however, the put option was not exercisable until December 31, 2018 and was exercisable anytime thereafter by the glass operating partner. Boyd's call option was also not exercisable until December 31, 2018. The put and call options may have been exercised before December 31, 2018 upon the occurrence of certain unusual events such as a change of control or resignation of the operating partner. Under the amended agreement, Boyd continues to have the option, but not the obligation, to pay the purchase price by delivery of Boyd units of a value equal to the purchase price.

On September 29, 2017, Gerber Glass LLC, a subsidiary of the Fund, exercised its' call option, as provided for in the GA Company Agreement, to acquire the 30% non-controlling interest in Glass America LLC held by GAJV Holdings Inc. The exercise price had been calculated in accordance with the terms of the GA Company Agreement. GAJV Holdings Inc. did not agree with the calculation of the exercise price, including the effect of certain material changes, and the matter was submitted to binding arbitration in accordance with the terms of the GA Company Agreement. On January 31, 2019, the call option transaction was completed, and Gerber Glass LLC acquired the 30% non-controlling interest in Glass America LLC.

DESCRIPTION OF THE BUSINESS

BGSI

Boyd Group Services Inc. is a Canadian corporation and controls Boyd and its subsidiaries as well as the Fund effective January 1, 2020.

Boyd

General

Boyd is one of the largest operators of non-franchised collision repair centres in North America in terms of number of locations and sales. The Company currently operates locations in Canada under the trade names Boyd Autobody & Glass and Assured Automotive, as well as in the U.S. under the trade name Gerber Collision & Glass. In addition, the Company is a major retail auto glass operator in the U.S. under the trade names Gerber Collision & Glass, Glass America, Auto Glass Services, Auto Glass Authority and Autoglassonly.com. The Company also operates Gerber National Claims Services ("GNCS"), which offers glass, emergency roadside and first notice of loss services.

Principal Markets

Boyd provides collision repair services to individual vehicle owner, fleet and lease customers; however, the highest percentage of the Company's revenue is derived from insurance-paid collision repair services. In three of the Canadian provinces where the Company operates, government-owned insurance companies have, by legislation, either exclusive or semi-exclusive rights to provide insurance to the Company's customers. Sales generated in these three markets represent approximately 2% of the Company's total sales. Although the Company's services in these markets are predominately paid for by these government-owned insurance companies, the Company's customers (automobile owners) have freedom of choice of repair provider. In markets where non-government owned insurance companies are predominant, formal relationships with insurance companies such as Direct Repair Programs ("DRPs"), either at the local or national level, play an important role in generating sales volumes for the Company. Although automobile owners still have the freedom of choice of repair provider, that choice can be influenced by the insurance companies with DRPs. Of the top five non-government owned insurance companies that the Company does business with, which in aggregate account for approximately 44% of total sales, one insurance company represents approximately 15% of the Company's total sales, while a second insurance company represents approximately 10%. Emphasis is placed by Boyd on establishing and maintaining these referral arrangements and Boyd continues to work at developing and strengthening its relationships with insurance carriers in these markets.

The following table shows Boyd's percentage of sales in Canada and the United States during its three fiscal years ended December 31, 2017, 2018 and 2019.

Period Ended	Percentage of Sales in Canada	Percentage of Sales in United States
December 31, 2017	11.4%	88.6%
December 31, 2018	15.5%	84.5%
December 31, 2019	12.5%	87.5%

The following table shows Boyd's number of employees in Canada and the United States during its three fiscal years ended December 31, 2017, 2018 and 2019.

Period Ended	Number of Employees in Canada	Number of Employees in United States
December 31, 2017	1,382	6,165
December 31, 2018	1,479	7,089
December 31, 2019	1,513	8,409

Competitive Conditions

The collision repair industry in North America is estimated by Boyd to represent approximately $30 to 40 billion (U.S.) in annual revenue. The industry is highly fragmented, consisting primarily of small independent family owned businesses operating in local markets. To date, a number of multi-unit collision repair operators, growing in part through acquisition, have emerged in North America. It is estimated that car dealerships have approximately 17% of the total market. It is believed that multi-unit collision repair operators with greater than $20 million in annual revenues (including multi-unit car dealerships), now have approximately 29% of the total market. In February 2019, two of the four largest multi-location collision repairers closed a merger, making the combined entity more than twice the current size of Boyd in terms of revenue.

The industry is very competitive. There is a growing trend among major insurers in both the public and private insurance markets toward developing performance-based measurements in selecting collision repair partners. In Alberta, British Columbia, Ontario and in the United States, where private insurers operate, a greater emphasis is placed on establishing and maintaining DRP referral arrangements with insurance companies. Boyd continues work at developing and strengthening its DRP relationships with insurance carriers in both Canada and the United States. DRP's are established between insurance companies and collision repair shops to better manage automobile repair claims and increase levels of customer satisfaction. Insurance companies select collision repair operators to participate in their programs based on integrity, convenience and physical appearance of the facility, quality of work, customer service, cost of repair, cycle time and other key performance metrics. Local, regional DRP's, and national DRP relationships, represent an opportunity for Boyd to increase its business. Boyd's management also believes there is some preference among some insurance carriers to do business with multi-location collision repairers in order to increase efficiency, reduce the number and complexity of contacts in the collision repair process and to achieve a higher level of consistent performance.

Boyd intends to grow its business through increasing same-store sales and the opening or acquiring of new locations in addition to being alert to opportunities for accelerated growth through the acquisition of other multi-location businesses.

See pages 9-12 of BGSI's 2019 Annual Report, under the heading "Business Environment & Strategy", for a detailed description of competitive conditions, which description is incorporated by reference herein.

Intangible Assets

As part of the acquisition of The Gerber Group, Inc. in 2004, several identifiable intangible assets were recognized as follows:

(1) Customer relationships represent the reputation Gerber has with respect to its significant industry customers and DRP's throughout the U.S. Initially valued at $11.0 million (U.S.), this intangible asset is carried at its original fair market value less accumulated amortization to date. The relationships are expected to have a benefit over twenty years and are being amortized on a straight-line basis over that period.

(2) The "Gerber" brand name has been identified and initially valued at $3.0 million (U.S.) based upon the reputation and strength of the Gerber name in the U.S. market. The name is considered to have an indefinite life and is tested for impairment annually. Because of the brand's strength, Boyd re-evaluated its common branding strategy in the U.S. and decided to implement the "Gerber" brand across its U.S. operations.

(3) Non-compete agreements were in place with certain key managers of Gerber. These agreements were considered critical in terms of the retention of Gerber's professional management team. The cost of these agreements, initially valued at $1.5 million (U.S.), expired during 2007 and have been fully amortized.

(4) Software customization costs represent certain additional functionality developed by Gerber to their existing management software programs. As a result of these software developments Gerber has been able to supplement its efficiency in areas such as call centre technology and statistical measurement of its services to the insurance industry. These costs, valued at $350,000 (U.S.) have been fully amortized.

During 2012, as part of the Master, Pearl, TRR and Autocrafters acquisitions, $15,600,000 (U.S) of customer relationships, $940,000 (U.S.) of brandnames, $1,210,000 (U.S) of non-compete agreements were recognized. The customer relationships are finite life intangible assets that are being amortized on a straight-line basis over a period of twenty years. The non-compete agreements have been fully amortized on a straight-line basis over a five year term. The brand names have been fully amortized.

During 2013, as part of the Glass America and Hansen acquisitions, $14,800,000 (U.S) of customer relationships, $4,000,000 (U.S.) of brandname and $400,000 (U.S) for non-compete agreements were recognized. The customer relationships are finite life intangible assets that are being amortized on a straight-line basis over a period of twenty years. The non-compete agreements have been fully amortized on a straight-line basis over a five year term. The “Glass America” brand name has been identified and initially valued at $3.6 million (U.S.) based upon the reputation and strength of the Glass America name in the U.S. market. The name is considered to have an indefinite life and is tested for impairment annually. The $400,000 of brandname related to the Hansen acquisition has been fully amortized.

During 2014, as part of the Collision Revision, Collex, Champ’s and Netcost acquisitions, $42,500,000 (U.S) of customer relationships, $1,500,000 (U.S.) of brandname and $2,200,000 (U.S) for non-compete agreements were recognized. The customer relationships are finite life intangible assets that are being amortized on a straight-line basis over a period of twenty years. The non-compete agreements have been fully amortized on a straight-line basis over a five year term. The brandname has been fully amortized.

During 2015, as part of the Craftmaster, Liotus Collision Center Inc., Shine Auto Body, Perri’s Collision, Wayside Body Shop, and John’s CARSTAR collision Center acquisitions, $7,416,000 (U.S.) of customer relationships, $300,000 (U.S.) of brandname and $803,000 (U.S.) for non-compete agreements were recognized. The customer relationships are finite life intangible assets that are being amortized on a straight-line basis over a period of twenty years. The non-compete agreements are being amortized on a straight-line basis over a five year term. The brand name has been fully amortized.

During 2016, as part of various acquisitions detailed on pages 26-27 of the Fund’s 2016 Annual Report, under the heading “Acquisitions and Development of Businesses”, $26,788,000 of customer relationships and $1,183,000 of non-compete agreements were recognized. The customer relationships are finite life intangible assets that are being amortized on a straight-line basis over a period of twenty years. The non-compete agreements are being amortized on a straight-line basis over a five year term.

During 2017, as part of the Assured acquisition as well as various acquisitions, as detailed on page 27 of the Fund’s 2017 Annual Report under the heading “Acquisitions and Development of Businesses”, $92,773,000 of customer relationships, $9,362,000 of non-compete agreements and $14,000,000 of brandname were recognized. The customer relationships are finite life intangible assets that are being amortized on a straight-line basis over a period of twenty years. The non-compete agreements are being amortized on a straight-line basis over a five year term. The “Assured” brand name has been identified and initially valued at $14.0 million based upon the reputation and strength of the Assured name in the Ontario market. The name is considered to have an indefinite life and is tested for impairment annually.

During 2018, as part of various acquisitions, as detailed on pages 27-28 of the Fund's 2018 Annual Report under the heading "Acquisitions and Development of Businesses", $43,935,000 of customer relationships and $1,408,000 of non-compete agreements were recognized. The customer relationships are finite life intangible assets that are being amortized on a straight-line basis over a period of twenty years. The non-compete agreements are being amortized on a straight-line basis over a five year term.

During 2019, as part of various acquisitions, as detailed on pages 29-30 of BGSI's 2019 Annual Report under the heading "Acquisitions and Development of Businesses", $79,751,000 of customer relationships and $3,802,000 of non-compete agreements were recognized. The customer relationships are finite life intangible assets that are being amortized on a straight-line basis over a period of twenty years. The non-compete agreements are being amortized on a straight-line basis over a five year term.

Cycles

The Company's operating results have been and are expected to continue to be subject to quarterly fluctuations due to a variety of factors including changes in purchasing patterns, pricing policies, general and regional economic downturns, unemployment rates and weather conditions. The Company's geographic diversification may lessen the effect of this risk.

For more information about Boyd, please see pages 9-12 of BGSI's 2019 Annual Report, under the heading "Business Environment & Strategy", for a more detailed description Boyd's business, which description is incorporated by reference herein.

The Fund

See the above description of the Fund's operations and activities under the heading "General Development of the Business".

BUSINESS RISKS AND UNCERTAINTIES

The following information is a summary of certain risk factors relating to the business of BGSI and its subsidiaries, and is qualified in its entirety by reference to, and must be read in conjunction with, the detailed information appearing elsewhere in this Annual Report and the documents incorporated by reference herein.

BGSI and its subsidiaries are subject to certain risks inherent in the operation of the business. BGSI and its subsidiaries manage risk and risk exposures through a combination of management oversight, insurance, systems of internal controls and disclosures and sound operating policies and practices.

The Board of Directors has the responsibility to identify the principal risks of BGSI’s business and ensure that appropriate systems are in place to manage these risks. The Audit Committee has the responsibility to discuss with management BGSI's major financial risk exposures and the steps management has taken to monitor and control such exposures, including BGSI's risk assessment and risk management policies. In order to support these responsibilities, management has a risk and sustainability management committee which meets on an ongoing basis to evaluate and assess BGSI’s risks.

The process being followed by the risk and sustainability management committee is a systematic one which includes identifying risks; analyzing the likelihood and consequence of risks; and then evaluating risks as to risk tolerance and control effectiveness. This approach stratifies risks into four risk categories as follows:

Extreme Risks: Immediate/ongoing action is required – involvement of senior management is required. Avoidance of the item may be necessary if risk reduction techniques are insufficient to address the risk.

High Risks: Risk item is significant and management responsibility should be specified and appropriate action taken.

Moderate Risks: Managed by specific monitoring or response procedures. Additional risk mitigation techniques could be considered if benefits exceed the cost.

Low Risks: Managed by routine procedures. No further action is required at this time.

Risks can be reduced by limiting the likelihood or the consequence of a particular risk. This can be achieved by adjusting the Company’s activities, implementing additional control/monitoring processes, or insuring/hedging against certain outcomes. Residual risk remains after mitigation and control techniques are applied to an identified risk. Awareness of the residual risk that BGSI ultimately accepts is a key benefit of the risk management process.

The following describes the risks that are most material to BGSI’s business; however, this is not a complete list of the potential risks BGSI faces. There may be other risks that BGSI is not aware of, or risks that are not material today that could become material in the future.

Pandemic Risk & Economic Downturn

Disruptions in financial markets, regional economies and the world economy could be caused by the pandemic outbreak of a contagious illness, such as the recent COVID-19 pandemic. In turn, such disruption could result in a decrease in demand for the services the Company provides as well as interruptions to the supply chain, including temporary closure of supplier facilities. A significant outbreak of contagious disease, such as the recent COVID-19 pandemic, could result in a widespread health crisis that could adversely affect the economies and financial markets of many regions and countries. There can be no assurance that a disruption in financial markets, regional economies and the world economy would not negatively affect the financial performance of the Company.

Historically the auto collision repair industry has proven to be resilient to typical economic downturns along with the accompanying unemployment, and while the Company works to mitigate the effect of economic downturn on its operations, economic conditions, which are beyond the Company's control, could lead to a decrease in accident repair claims volumes due to fewer miles driven or due to vehicle owners being less inclined to have their vehicles repaired. It is difficult to predict the severity and the duration of any decrease in claims volumes resulting from an economic downturn and the accompanying unemployment and what affect it may have on the auto collision repair industry, in general, and the financial performance of the Company in particular. There can be no assurance that an economic downturn would not negatively affect the financial performance of the Company.

Operational Performance

In order to compete in the market place, the Company must consistently meet the operational performance metrics expected by its insurance company clients and its customers. Failing to deliver on metrics such as cycle time, quality of repair, customer satisfaction and cost of repair can, over time, result in reductions to pricing, repair volumes, or both. The Company has implemented processes as well as measuring and monitoring systems to assist it in delivering on these key metrics. However, there can be no assurance that the Company will be able to continue to deliver on these metrics or that the metrics themselves will not change in the future.

Acquisition Risk

The Company plans to continue to increase revenues and earnings through the acquisition of additional collision repair facilities and other businesses. The Company follows a detailed process of due diligence and approvals to limit the possibility of acquiring a non-performing location or business. However, there can be no assurance that the Company will be able to find suitable acquisition targets at acceptable pricing levels without incurring cost overruns, or that the locations acquired will achieve sales and profitability levels to justify the Company's investment.

Boyd views the United States and Canada as having significant potential for further expansion of its business. There can be no assurance that any market for the Company's services and products will develop either at the local, regional or national level. Economic instability, laws and regulations, increasing acquisition valuations and the presence of competition in all or certain jurisdictions may limit the Company's ability to successfully expand operations.

The Company has grown rapidly through multi-location acquisitions as well as single location growth opportunities. Rapid growth can put a strain on managerial, operational, financial, human and other resources. Risks related to rapid growth include administrative and operational challenges such as the management of an expanded number of locations, the assimilation of financial reporting systems, technology and other systems of acquired companies, increased pressure on senior management and increased demand on systems and internal controls. The ability of the Company to manage its operations and expansion effectively depends on the continued development and implementation of plans, systems and controls that meet its operational, financial and management needs. If Boyd is unable to continue to develop and implement these plans, systems or controls or otherwise manage its operations and growth effectively, the Company will be unable to maintain or increase margins or achieve sustained profitability, and the business could be harmed.

A key element of the Company's strategy is to successfully integrate acquired businesses in order to sustain and enhance profitability. There can be no assurance that the Company will be able to profitably integrate and manage additional repair facilities. Successful integration can depend upon a number of factors, including the ability to maintain and grow DRP relationships, the ability to retain and motivate certain key management and staff, retaining and leveraging client and supplier relationships and implementing standardized procedures and best practices. In the event that any significant acquisition cannot be successfully integrated into Boyd's operations or performs below expectations, the business could be materially and adversely affected.

To the extent that the prior owners of businesses acquired by Boyd failed to comply with or otherwise violated applicable laws, the Company, as the successor owner, may be financially responsible for these violations and any associated undisclosed liability. The Company seeks, through systematic investigation and due diligence, and through indemnification by former owners, to minimize the risk of material undisclosed liabilities associated with acquisitions. The discovery of any material liabilities, including but not limited to tax, legal and environmental liabilities, could have a material adverse effect on the Company's business, financial condition and future prospects.

Employee Relations and Staffing

Boyd currently employs approximately 9,922 people, of which 1,513 are in Canada and 8,409 are in the U.S. The current work force is not unionized, except for approximately 31 employees located in the U.S. who are subject to collective bargaining agreements. The automobile collision repair industry typically experiences high employee turnover rates. A shortage of qualified employees can impact the volume and pace at which collision repair shops can fix damaged vehicles. Although the Company believes that it is on good terms with its employees, there are no assurances that a disruption in service would not occur as a result of employee unrest or employee turnover. The collision repair industry is experiencing significant competition for talent, and, in particular, a limited pool of qualified technicians. There is no guarantee that a significant work disruption or the inability to maintain, replace or grow staff levels would not have a material effect on the Company.

Attracting, training, developing and retaining employees at all levels of the organization is required to effectively manage Boyd's operations. The Company has rolled out various retention and recruitment initiatives to mitigate this risk. Failure to attract, train, develop and retain employees at all levels of the organization could lead to a lack of knowledge, skills and experience required to effectively manage the business and could have a material adverse effect on the Company's business, financial condition and future performance.

The outbreak of a contagious illness, such as the recent COVID-19 pandemic could disrupt staffing and impact the volume and pace at which collision repair shops can fix damaged vehicles. Such disruption could result in temporary closure of collision repair facilities. A significant outbreak of contagious disease, such as the recent COVID-19 pandemic, could result in a widespread health crisis that could adversely affect the financial performance of the Company.

Brand Management and Reputation

The Company's success is impacted by its ability to protect, maintain and enhance the value of its brands and reputation. Brand value and reputation can be damaged by isolated incidents, particularly if the incident receives considerable publicity or if it draws litigation. Incidents may occur as a result of events beyond the Company's control or may be isolated to actions that occur in one particular location. Demand for the Company's services could diminish significantly if an incident or other matter damages its brand or erodes the confidence of its insurance company clients or directly with the vehicle owners themselves. With the advent of the Internet and the evolution of social media there is an increased ability for individuals to adversely affect the brand and reputation of the Company. There can be no assurance that past or future incidents will not negatively affect the Company's brand or reputation.

Market Environment Change

The collision repair industry is subject to continual change in terms of regulations, repair processes and equipment, technology and changes in the strategic direction of clients, suppliers and competitors. The Company endeavors to stay abreast of developments and preferences in the industry and make strategic decisions to manage through these changes and potential disruptions to the traditional business model. In certain situations, the Company is involved in leading change by anticipating or developing new methods to address changing market needs. The Company however, may not be able to correctly anticipate the need for change, may not effectively implement changes, or may be required to increase spending on capital equipment to maintain or improve its relative position with competitors. There can be no assurance that market environment changes will not occur that could negatively affect the financial performance of the Company.

Reliance on Technology

As is the case with most businesses in today's environment, there is a risk associated with Boyd's reliance on computerized operational and reporting systems. Boyd makes reasonable efforts to ensure that back-up systems and redundancies are in place and functioning appropriately. Boyd has disaster recovery programs to protect against significant system failures. Although a computer system failure would not be expected to critically damage the Company in the long term, there can be no assurance that a computer system crash or like event would not have a material impact on its financial results.

Reliance on technology in order to gain or maintain competitive advantage is becoming more significant and therefore the Company is faced with determining the appropriate level of investment in new technology in order to be competitive. There can be no assurance that the Company will correctly identify or successfully implement the appropriate technologies for its operations.

Increased reliance on computerized operational and reporting systems also results in increased cyber security risk, including potential unauthorized access to customer, supplier and employee sensitive information, corruption or loss of data and release of sensitive or confidential information. Disruptions due to cyber security incidents could adversely affect the business, results of operations and financial condition of the Company. Cyber security incidents could result in operational delays, disruption to work flow and reputational harm. There can be no assurance that Boyd will be able to anticipate, prevent or mitigate rapidly evolving types of cyber-attacks.

Foreign Currency Risk

In the past, the Company has financed acquisitions of U.S. businesses in part by making U.S. denominated loans available under its credit facilities that could then be serviced and repaid from anticipated future U.S. earnings streams. Although this natural hedging strategy is partially effective in mitigating future foreign currency risks, a substantial portion of Boyd's revenue and cash flow are now, and are expected to continue to be, generated in U.S. dollars. Fluctuations in exchange rates between the Canadian dollar and the U.S. currency may have a material adverse effect on the Company's reported earnings and cash flows and its ability to make future Canadian dollar cash dividends. Fluctuations in the exchange rates between the Canadian dollar and the U.S. currency may also have a material adverse effect on BGSI's share price.

There can be no assurance that fluctuations in the U.S dollar relative to the Canadian dollar can be hedged effectively for long periods of time and there can be no assurances given that any currency hedges or partial hedges in place would remain effective in the future.

Loss of Key Customers

A high percentage of the Company's revenues are derived from insurance companies. Over the past 25+ years, many private insurance companies have implemented customer referral arrangements known as Direct Repair Programs (DRP's) with collision repair operators who have been recognized as consistent high quality, performance based repairers in the industry.

The Company's ability to continue to grow its business, as well as maintain existing business volume and pricing, is largely reliant on its ability to maintain these DRP relationships. The Company continues to develop and monitor these relationships through ongoing measurement of the success factors considered critical by insurance clients. The loss of any existing material DRP relationship, or a material component of a significant DRP relationship, could have a material adverse effect on Boyd's operations and business prospects. Of the top five non-government owned insurance companies that the Company deals with, which in aggregate account for approximately 44% (2018 – 40%) of total sales, one insurance company represents approximately 15% (2018 – 13%) of the Company's total sales, while a second insurance company represents approximately 10% (2018 – 11%).

DRP relationships are governed by agreements that are usually cancellable upon short notice. These relationships can change quickly, both in terms of pricing and volumes, depending upon collision repair shop performance, cycle time, cost of repair, customer satisfaction, competition, insurance company management, program changes and general economic activity. To mitigate this risk, management fosters close working relationships with its insurance company clients and customers and the Company continually seeks to diversify and grow its client base both in Canada and the U.S. There can be no assurance given that relationships with insurance company clients will not change in the future, which could impair Boyd's revenues and result in a material adverse effect on the Company's business.

Decline in Number of Insurance Claims

The automobile collision repair industry is dependent on the number of accidents which occur and, for the most part, become repairable insurance claims. The volume of accidents and related insurance claims can be significantly impacted by technological disruption and changes in technology such as ride sharing, collision avoidance systems, driverless vehicles and other safety improvements made to vehicles. Other changes which have and can continue to affect insurance claim volumes include, but are not limited to, weather, general economic conditions, unemployment rates, changing demographics, vehicle miles driven, new vehicle production, insurance policy deductibles, auto insurance premiums, photo radar and graduated licensing. In addition, repairable claims volumes have been and can continue to be impacted by an increased number of non-repairable claims or total loss. Reduced travel due to the outbreak of a contagious illness, such as the recent COVID-19 pandemic, could negatively impact claim volumes. There can be no assurance that a significant decline in insurance claims will not occur, which could impair Boyd's revenues and result in a material adverse effect on the Company's business.

Margin Pressure and Sales Mix Changes

The Company's costs to repair vehicles, including the cost of parts, materials and labour are market driven and can fluctuate. Increasing vehicle complexity due to advances in technology may also increase the cost associated with vehicle repair. The Company is not always able to pass these cost increases on to end users in the form of higher selling prices to its customers and/or its insurance company clients. As a result, there can be no assurance that increases in the costs to repair vehicles will ultimately be recoverable from its insurance company clients and customers. While negotiations with insurance companies and other influencing factors over time can result in selling price increases, the timing and extent of such increases is not determinable. In addition, some DRP relationships contain performance based pricing, which can impact margins. There can be no assurance that increases in the costs to repair vehicles will ultimately be recoverable from the Company's clients or customers.

The Company's margin is also impacted by the mix of collision repair, retail glass and glass network sales as well as the mix of parts, labour and materials within each business area. There can be no assurance that changes to sales mix will not occur that could negatively impact the financial performance of the Company.

The Company currently makes its own part sourcing decisions for parts used in the provision of vehicle repair services. The Company's clients could, in the future, decide to source products directly, impose the use of certain parts suppliers on the Company or otherwise change the parts sourcing process. Such a decision could have an adverse effect on the Company's margin.

Weather Conditions and Climate Change

The effect of weather conditions on collision repair volume represents an element of risk to the Company's ability to maintain sales. Historically, extremely mild winters and dry weather conditions have had a negative impact on collision repair sales volumes. Natural disasters resulting in business interruption, or supply chain interruption could also negatively impact the Company's operations. Climate change has increased the frequency and severity of natural disasters and extreme weather condition events. Even with market share gains, weather-related decline in market size can result in sales declines which could have a material impact on the Company's business. Business interruption due to natural disasters and extreme weather condition events, including supply chain interruption, may result in temporary store closures and could adversely impact Boyd's ability to complete repairs, which could have a material adverse effect on the Company's business.

Competition

The collision repair industry in North America, estimated at approximately $30 to $40 billion U.S. is very competitive. The main competitive factors are price, service, quality, customer satisfaction and adherence to various insurance company processes and performance requirements. There can be no assurance that Boyd's competitors will not achieve greater market acceptance due to pricing or other factors.

Although competition exists mainly on a regional basis, Boyd competes with a small number of other multi-location collision repair operators in multiple markets in which it operates.

Given these industry characteristics, existing or new competitors, including other automotive-related businesses, may become significantly larger and have greater financial and marketing resources than Boyd. Competitors may compete with Boyd in rendering services in the markets in which Boyd currently operates and also in seeking existing facilities to acquire, or new locations to open, in markets in which Boyd desires to expand. There can be no assurance that the Company will be able to maintain or achieve its desired market share.

Access to Capital

The Company grows, in part, through future acquisitions or start-up of collision and glass repair and replacement businesses. There can be no assurance that Boyd will have sufficient capital resources available to implement its growth strategy. Inability to raise new capital, in the form of debt or equity, could limit Boyd's future growth through acquisition or start-up.

The Company will endeavour, through a variety of strategies, to ensure in advance that it has sufficient capital for growth. Potential sources of capital that the Company has been successful at accessing in the past include public and private equity placements, convertible debt offerings, using equity securities to directly pay for a portion of acquisitions, capital available through strategic alliances with trading partners, lease financing, seller financing and both senior and subordinate debt facilities or by deferring possible future purchase price payments using contingent consideration and call or put options. There can be no assurance that the Company will be successful in accessing these or other sources of capital in the future.

The Company and its subsidiaries use financial leverage through the use of debt, which have debt service obligations. The Company's ability to refinance or to make scheduled payments of interest or principal on its indebtedness will depend on its future operating performance and cash flow, which are subject to prevailing economic conditions, prevailing interest rates, and financial, competitive, business and other factors, many of which are beyond its control.

The Company's revolving credit facilities contain restrictive covenants that limit the discretion of the Company's management and the ability of the Company to incur additional indebtedness, to make acquisitions of collision repair businesses, to create liens or other encumbrances, to pay dividends, to redeem any equity or debt, or to make investments, capital expenditures, loans or guarantees and to sell or otherwise dispose of assets and merge or consolidate with another entity. In addition, the revolving credit facilities contain a number of financial covenants that require BGSI and its subsidiaries to meet certain financial ratios and financial condition tests. A failure to comply with the obligations under these credit facilities could result in an event of default, which, if not cured or waived, could permit acceleration of the relevant indebtedness. If the indebtedness were to be accelerated, there can be no assurance that the assets of the Company and its subsidiaries would be sufficient to repay the indebtedness in full. There can also be no assurance that the Company will be able to refinance the credit facilities as and when they mature. The revolving credit facility is secured by the assets of the Company.

Dependence on Key Personnel

The success of the Company is dependent on the services of a number of members of management. The experience and talent of these individuals is a significant factor in Boyd's continued success and growth. The loss of one or more of these individuals could have a material adverse effect on the Company's business operations and prospects. The Company has entered into management agreements with key members of management in order to mitigate this risk.

Tax Position Risk

BGSI and its subsidiaries account for income tax positions in accordance with accounting standards for income taxes, which require that the Company recognize in the financial statements, the impact of a tax position, if that position is more likely than not of being sustained on examination by taxation authorities, based on the technical merits of the position.

Inherent risks and uncertainties can arise over tax positions taken, or expected to be taken, with respect to matters including but not limited to acquisitions, transfer pricing, inter-company charges and allocations, financing charges, fees, related party transactions, tax credits, tax based incentives and stock based transactions. Management uses tax experts to assist in correctly applying and accounting for the tax rules, however there can be no assurance that a position taken will not be challenged by the taxation authorities that could result in an unexpected material financial obligation.

Expenses incurred by BGSI and its subsidiaries are only deductible to the extent they are reasonable. There can be no assurance that the taxation authorities will not challenge the reasonableness of certain expenses. If such a challenge were successful, it may materially and adversely affect the financial results of BGSI and its subsidiaries.

The Shares will cease to be qualified investments for a Registered Plan under the Tax Act unless the Shares are listed on a “designated stock exchange” (as defined in the Tax Act).

There can be no assurance that additional changes to the taxation of corporations or changes to other government laws, rules and regulations, either in Canada or the U.S., will not be undertaken which could have a material adverse effect on BGSI’s share price and business. There can be no assurance BGSI will benefit from these rules, that the rules will not change in the future or that BGSI will avail itself of them.

Corporate Governance

Securities law imposes statutory civil liability for misrepresentations in continuous disclosure documents including failure to make timely disclosure. Investors have a right of action if they are harmed by a misrepresentation in an issuer’s disclosure document or in a public oral statement relating to an issuer, or the failure of an issuer to make timely disclosure of a material change. Potentially liable parties include the issuer, each officer, Director or Trustee of the issuer who authorizes, permits or acquiesces in the release of the document containing a misrepresentation, the making of the public statement containing a misrepresentation or in the failure to make a timely disclosure.

Under the Ontario Securities Act, section 138.4(6), a due diligence defense is available. The due diligence defense requires the following items to be addressed:

- the issuer must have a system designed to ensure the issuer is meeting its disclosure obligations;
- the defendant must have conducted a reasonable investigation to support reliance on the system; and

- defendants must have no reasonable grounds to believe that the document or a public oral statement contained a misrepresentation or that the failure to make the required disclosure would occur.

BGSI is keenly aware of the significance of these laws and the interrelationships between civil liability, disclosure controls and good governance. BGSI has adopted policies, practices and processes to reduce the risk of a governance or control breakdown. A statement of BGSI's governance practices is included in its most recent information circular which can be found at www.sedar.com. Although BGSI believes it follows good corporate governance practices, there can be no assurance that these practices will eliminate or mitigate the impact of a material lawsuit in this area.

The area of governance is growing to encompass not only traditional governance matters, but also environmental and social matters. This area is often referred to as Environmental, Social and Governance, or "ESG". Increased awareness and attention by investors to ESG matters means that the Company needs to become more transparent in developing and reporting on ESG initiatives and increase or add ESG initiatives where there are significant gaps. BGSI is developing and enhancing ESG reporting and initiatives and has adopted policies on reporting and anti-retaliation, occupational health and safety, non-discrimination, human rights, diversity and anti-corruption, which are available on the Boyd website at www.boydgroup.com.

Increased Government Regulation and Tax Risk

BGSI and its subsidiaries are subject to various federal, provincial, state and local laws, regulations and taxation authorities. Various federal, provincial, state and local agencies as well as other governmental departments administer such laws, regulations and their related rules and policies. New laws governing BGSI or its business could be enacted or changes or amendments to existing laws and regulations could be enacted which could have a significant impact on Boyd. For example, privacy legislation continues to evolve rapidly and tariff changes are being introduced with greater frequency. BGSI utilizes the services of professional advisors in the areas of taxation, environmental, health and safety, labour and general business law to mitigate the risk of non-compliance. Failure to comply with the applicable laws, regulations or tax changes may subject BGSI to civil or regulatory proceedings and no assurance can be given that this will not have a material impact on financial results.

A number of jurisdictions in which the Company operates have regulations to limit emissions and pollutants. The Company has adapted its processes in an effort to comply with these regulations. Although to date, there have been no negative consequences as a result of these regulations, there can be no assurance that these regulations will not have a material adverse impact on BGSI's business or financial results. Future emission or pollutant regulation compliance requirements may have a material adverse impact on BGSI's business or financial results.

Environmental, Health and Safety Risk

The nature of the collision repair business means that hazardous substances must be used, which could cause damage to the environment or individuals if not handled properly. The Company's environmental protection policy requires environmental site assessments to be performed on all business locations prior to acquisition, start-up or relocation so that any existing or potential environmental situations can be remedied or otherwise appropriately addressed. It is also Boyd's practice to secure environmental indemnification from landlords and former owners of acquired collision repair businesses, where such indemnification is available. Boyd also engages a private environmental consulting firm to perform regular compliance reviews to ensure that the Company's environmental and health and safety policies are followed.

To date, the Company has not encountered any environmental protection requirements or issues which would be expected to have a material financial or operational effect on its current business and it is not aware of any material environmental issues that could have a material impact on future results or prospects. No assurance can be given, however, that the prior activities of Boyd, or its predecessors, or the activities of a prior owner or lessee, have not created a material environmental problem or that future uses or evolving regulations will not result in the imposition of material environmental, health or safety liability upon Boyd.

Fluctuations in Operating Results and Seasonality

The Company's operating results have been and are expected to continue to be subject to quarterly fluctuations due to a variety of factors including changes in customer purchasing patterns, pricing paid to insurance companies, general operating effectiveness, automobile technologies, general and regional economic downturns, unemployment rates, employee vacation timing and weather conditions. These factors can affect Boyd's ability to fund ongoing operations and finance future activities.

Risk of Litigation

BGSI and its subsidiaries could become involved in various legal actions in the ordinary course of business. Litigation loss accruals may be established if it becomes probable that BGSI will incur an expense and the amount can be reasonably estimated. BGSI's management and internal and external experts are involved in assessing the probability of litigation loss and in estimating any amounts involved. Changes in these assessments may lead to changes in recorded litigation loss accruals. Claims are reviewed on a case by case basis, taking into consideration all information available to BGSI.

The actual costs of resolving claims could be substantially higher or lower than the amounts accrued. In certain cases, legal claims may be covered under BGSI's various insurance policies.

Execution on New Strategies

New initiatives are introduced from time to time in order to grow Boyd's business. Initiatives such as entering new markets, introducing and improving related products and services, or identifying new strategies to capture additional market share have the potential to be accretive to the Company's business when the opportunity is accurately identified and executed. There can be no assurance that the Company identifies new strategies that are accretive to the business or that it is successful in implementing such initiatives.

Insurance Risk

BGSI insures its property, plant and equipment, including vehicles, through insurance policies with insurance carriers located in Canada and the U.S. Included within these policies is insurance protection against property loss and general liability. BGSI also insures its directors and officers against liabilities arising from errors, omissions and wrongful acts. Management uses its knowledge, as well as the knowledge of experienced brokers, to ensure that insurable risks are insured appropriately under terms and conditions that would protect BGSI and its subsidiaries from losses. There can be no assurance that all perils would be fully covered or that a material loss would be recoverable under such insurance policies.

Dividends Not Guaranteed

The amount of dividends declared and paid by BGSI in the future will depend upon numerous factors, including profitability, fluctuations in working capital, sustainability of margins, required capital expenditures, the need to maintain productive capacity, required funding of long-term contractual obligations, required funding to meet growth targets, restrictions on dividends arising from compliance with financial debt covenants, taxation on income or on dividends and debt repayments expected to be funded by cash flows generated from operations. There can be no assurance regarding the amount of dividends to be declared and paid by the Company or its subsidiaries in the future.

Interest Rates

The Company occasionally fixes the interest rate on its debt using interest rate swap contracts or other provisions available in its debt facilities. There can be no guarantee that interest rate swaps or other contract terms that effectively turn variable rate debt into fixed rates will be an effective hedge against long-term interest rate fluctuations.

The Company has not fixed interest rates within its revolving credit facility. There can be no assurance that interest rates either in Canada or the U.S. will not increase in the future, which could result in a material adverse effect on the Company's business.

U.S. Health Care Costs and Workers Compensation Claims

BGSI accrues for the estimated amount of U.S. health care claims and workers compensation claims that may have occurred but were not reported at the end of the reporting period under its health care and workers compensation plans. The accruals are based upon the Company's knowledge of current claims as well as third party estimates derived from past experience. Significant claim occurrences which remain unreported for a number of months could materially impact this accrual. In addition, as U.S health care costs increase, there can be no assurance given that the Company can continue to offer health care insurance to its employees at a reasonable cost.

Low Capture Rates

Sales growth can be enhanced if the Company is effective at booking repair orders for all sales opportunities that are identified. The Company is exposed to missed jobs to the extent employees are ineffective at capturing all sales opportunities. Measurement of capture rates, management support and training are methods that are employed to enhance capture rates. However, it is possible that the Company may not be able to capture sales effectively enough to maximize sales.

Supply Chain Risk

The Company requires access to parts, materials and paint in order to complete repairs. Certain of the Company's suppliers operate in unionized environments, where their workers are subject to collective bargaining agreements. A prolonged strike at a supplier could adversely impact Boyd's ability to complete repairs. It is possible that a prolonged strike could disrupt the Company's supply chain, which could have a material impact on the Company's financial results.

The Company sources certain parts and materials from overseas vendors. Global issues, such as outbreak and spread of contagious disease, political instability or other disruptive events can negatively impact global supply chains, which could adversely impact Boyd's ability to complete repairs. It is possible that global issues could disrupt the Company's supply chain, which could have a material impact on the Company's financial results.

Capital Expenditures

The business of the Company requires ongoing capital maintenance. Moreover, opportunities may arise for capital upgrades providing returns or cost savings that may not be realized in the immediate future, but rather over several years. As vehicle technology advances and market needs change, the capital intensity of the industry is changing, requiring expenditures in excess of historical capital maintenance levels. To the extent that capital expenditures are in excess of amounts budgeted, the amounts of cash available for dividends may decrease.

Energy Costs

The Company is exposed to fluctuations in the price of energy. These costs not only impact the costs associated with occupying and operating collision repair facilities but may also affect costs of parts and materials used in the repair process as well as miles driven by automobile owners. There can be no assurance that escalating costs which cannot be offset by energy conservation practices, price increases to clients and customers or productivity gains, would not result in materially lower operating margins. As well, there can be no assurance that escalating energy costs will not materially reduce automobile miles driven and in turn reduce the number of collisions.

DESCRIPTION OF CAPITAL STRUCTURE

General Description

On January 1, 2020, all of the Units of the Fund and all of the BGHI Class A common shares were exchanged for common shares of BGSI.

Common shares of BGSI

An unlimited number of BGSI common shares are authorized. Each BGSI common share entitles the holder thereof to participate equally in dividends and to one vote at all meetings of Shareholders. In the event of the liquidation, dissolution or winding-up of BGSI, holders of common shares are entitled to receive rateably amongst themselves, the assets and property of BGSI.

Units

Prior to January 1, 2020, an unlimited number of Units were authorized to be issued pursuant to the Declaration of Trust. Each Unit represented an equal fractional undivided beneficial interest in any distributions from the Fund, and in any net assets of the Fund in the event of a termination or winding-up of the Fund. All Units were of the same class with equal rights and privileges. Each Unit was transferable, entitled the holder thereof to participate equally in distributions, including the distributions of net earnings and net realized capital gains of the Fund and distributions on termination or winding-up of the Fund, was fully paid and non-assessable and entitled the holder thereof to one vote at all meetings of Unitholders for each Unit held.

Unitholder Limited Liability

The Declaration of Trust provides that no Unitholder, in its capacity as Unitholder, will be subject to any liability in connection with the Fund or its obligations, liabilities, activities or affairs and, if a court determines a Unitholder is subject to any such liabilities, the liabilities will be enforceable only against, and will be satisfied only out of the Units held by the Unitholder.

For more information about Unitholder Limited Liability, please see page 47 of the Prospectus, under the heading "Unitholder Limited Liability", which information is incorporated by reference herein.

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.

Unit Options

On November 8, 2007, the Executive Compensation Committee of the Fund conditionally granted options to each of Brock Bulbuck, President and Chief Operating Officer of the Fund and Boyd, and Timothy O'Day, President and Chief Operating Officer of the Fund's subsidiary, The Boyd Group (U.S.) Inc. allowing them each to purchase up to 225,000 units of the Fund, such options to be issued on January 2, 2008, 2009 and 2010 to purchase up to 75,000 units each. The options may be exercised at any time after 9 years and 255 days after the dates on which the options were granted up to and including 9 years and 345 days after such dates. Effective March 20, 2018, the units may be purchased, to the extent validly exercised, on a date, at the grantee's election, between 9 years and 258 days after the grant date up to and including the 10th anniversary of the grant date (September 15 to January 2 of the applicable period). The purchase price per Fund unit under the options issued on each issue date shall be the greater of the closing price for Fund units on the Toronto Stock Exchange on the option grant date (being $2.70 per unit) and the weighted average trading price of the Fund units on the Toronto Stock Exchange for the first 15 trading days in the month of January in which each issue date falls. Notwithstanding the foregoing, if, prior to the options vesting, the employment of the grantee is terminated "without cause" as defined in the Option Agreement and Confirmation, or if at any time there is a "takeover bid" for the Units of the Fund, a change in control of the Fund, or in the case of Mr. Bulbuck, upon death, then the grantee will have the right to exercise the options. The options granted to Mr. Bulbuck and Mr. O'Day were subsequently approved by Unitholders of the Fund at the Annual Meeting of Unitholders held on May 21, 2008.

On January 2, 2018, the Fund completed the settlement of the unit options issued on January 2, 2008. As a result of the settlement a total of 150,000 units were issued at an exercise price of $2.70 per unit.

On November 26, 2018, the Fund completed the settlement of the unit options issued on January 2, 2009. As a result of the settlement a total of 150,000 units were issued at an exercise price of $3.14 per unit.

On November 25, 2019, the Fund completed the settlement of the unit options issued on January 2, 2010. As a result of the settlement, 150,000 units were issued at an exercise price of $5.41 per unit.

DISTRIBUTIONS

The Fund made monthly cash distributions to Unitholders of the interest income or principal repayments received in respect of the Notes and dividends and distributions received on, and amounts, if any, received on redemption or repayment of capital in respect of securities of Boyd and BGHI held by the Fund, net of expenses, reserves and any cash redemptions of Units. See pages 17-21 of BGSI's 2019 Annual Report, under the heading "Distributions and Distributable Cash" for a more detailed description of distributions which description is incorporated by reference, herein. The payment of interest and dividends by Boyd are subject to compliance with the terms and conditions of Boyd's credit facilities with its senior lender.

When distributions were being made, the distributions are made monthly to the Unitholders and shareholders of record on the last Business Day of each month. The following table sets forth the per unit distributions or per share dividend declared and paid to Unitholders and Class A common shareholders during the past three fiscal years:

	2019	**2018**	**2017**
January……………………………………………	**.045**	.044	.043
February…………………………………………..	**.045**	.044	.043
March……………………………………………..	**.045**	.044	.043
April………………………………………………	**.045**	.044	.043
May……………………………………………….	**.045**	.044	.043
June……………………………………………….	**.045**	.044	.043
July………………………………………………..	**.045**	.044	.043
August…………………………………………….	**.045**	.044	.043
September…………………………………………	**.045**	.044	.043
October……………………………………………	**.045**	.044	.043
November…………………………………………	**.046**	.045	.044
December…………………………………………	**.046**	.045	.044

The Board of Directors of BGSI has adopted a dividend policy which is more specifically described on page 65 of the Management Information Circular dated October 14, 2019 under the heading "Payment of Dividends", which description is incorporated by reference herein.

MARKET FOR SECURITIES

The Units of the Fund were listed and posted for trading on the Toronto Stock Exchange under the symbol "BYD.UN" until January 1, 2020. The Shares of BGSI are listed and posted for trading on the Toronto Stock Exchange under the symbol "BYD" beginning January 1, 2020.

The monthly trading volume and price ranges of the Units traded at the TSX over the Fund's last financial year are as follows:

Month	High	Low	Volume
January 2019…………………………………..	121.38	106.75	78,577,933
February 2019…………………………………	125.50	118.25	57,421,370
March 2019……………………………………	142.46	121.24	158,785,361
April 2019……………………………………..	153.06	137.95	229,986,981
May 2019……………………………………...	171.96	147.15	196,605,471
June 2019……………………………………...	178.42	160.54	158,646,044
July 2019………………………………………	177.94	164.57	109,002,075
August 2019…………………………………...	182.22	167.38	119,002,147
September 2019……………………………….	187.04	172.67	127,042,227
October 2019…………………………………..	187.80	168.06	130,774,936
November 2019………………………………..	204.94	179.50	267,272,572
December 2019………………………………..	209.13	195.79	178,586,926

Prior Sales

See pages 27-28 of BGSI's 2019 Annual Report, under the heading "Debt Financing", for a more detailed description of securities and more specifically debt instruments issued by Boyd, which description is incorporated by reference herein.

TRUSTEES, DIRECTORS AND OFFICERS

Trustees of the Fund

The Declaration of Trust establishes a Board of Trustees comprised of not more than ten or less than three members. Trustees are reappointed or replaced every year as may be determined by a majority of the votes cast at an annual meeting of the Unitholders.

The names, municipalities of residence and principal occupations for the previous five years of the Trustees are outlined in the following table:

Name and Municipality of Residence	Current Office	Principal Occupation
Allan Davis (1) (3) Ontario, Canada	Independent Chair (Since Nov 2011) Trustee (Since May 2005)	President and Director of AFD Investments Inc.
Brock Bulbuck Manitoba, Canada	Executive Chair and Trustee (Trustee since Dec 2002)	Executive Chair of Boyd
Dave Brown (1) (2) Manitoba, Canada	Trustee (Since Jun 2012)	President and CEO of Richardson Capital
Gene Dunn (1) (2) (4) Manitoba, Canada	Trustee (Since Dec 2002)	Chairman of Monarch Industries Ltd.
Robert Gross (2) (3) New York, USA	Trustee (Since Nov 2012)	Board member
Violet (Vi) A.M. Konkle (1) (3) Ontario, Canada	Trustee (Since May 2017)	Board member
Tim O'Day Illinois, USA	President & Chief Executive Officer and Trustee (Trustee since Mar 2012)	President and Chief Executive Officer of Boyd
Sally Savoia (2) (3) Florida, USA	Trustee (Since May 2015)	Independent Corporate Consultant

Committee members as at December 31, 2018

(1) Member of the Audit Committee
(2) Member of the Compensation Committee
(3) Member of the Governance & Nomination Committee
(4) Gene Dunn will be retiring from the Board as well as his Committee positions effective May 13, 2020.

The Trustees of the Fund are also all of the Directors of BGSI.

As a group, the Trustees own or control, directly or indirectly, 221,078 Shares of BGSI being approximately 1.1% of all the issued and outstanding Shares of BGSI as of March 17, 2020. Each Share is entitled to one vote at meetings of Shareholders.

See pages 97-98 of BGSI's 2019 Annual Report under the heading "Board of Directors", for a more detailed description of the Directors, which description is incorporated by reference herein.

The Trustees of the Fund also serve as the Board of Directors of Boyd.

Directors and Officers of Boyd

The following table sets forth the name, municipality of residence and principal occupation of each of the current officers of the Fund as well as Boyd Group Holdings Inc., BGSI, The Boyd Group Inc. and The Boyd Group (U.S.) Inc. ("Primary Subsidiaries"), certain officers of Assured Automotive (2017) Inc., and certain other officers not already listed above as a Trustee:

Name and Municipality of Residence	Position with Boyd
Narendra (Pat) Pathipati Illinois, USA	Executive Vice President, Chief Financial Officer and Secretary-Treasurer
Stephen Boyd Manitoba, Canada	Vice President, Corporate Development
Jeff Murray Manitoba, Canada	Vice President, Finance
Gary Bunce * Illinois, USA	Senior Vice President, Sales, US Operations
Kevin Burnett * Illinois, USA	Chief Operating Officer, US Collision
Eddie Cheskis* Illinois, USA	Chief Executive Officer, Glass America and Gerber National Claim Services
Vince Claudio * Washington, USA	Senior Vice President, US Collision
Eric Olhava* Illinois, USA	Senior Vice President, US Collision
Tony Canade* Ontario, Canada	Chief Operating Officer, Canadian Operations
Eric Danberg* Manitoba, Canada	President, Boyd Autobody and Glass
Susie Frausto* Illinois, USA	Vice President, Marketing
Kim Morin * Illinois, USA	Vice President and Chief Human Resources Officer
Srikanth Venkataraman* Illinois, USA	Vice President, Information Services
Desmond D'Silva Ontario, Canada	Chief Executive Officer, Assured Automotive
Peter Toni Manitoba, Canada	Assistant Secretary

* Officers of Primary Subsidiaries only

Other than the following changes, each of the foregoing persons has held the same principal position for the previous five years. On February 24, 2015, Eddie Cheskis was appointed Chief Executive Officer, Glass America and Gerber National Claim Services. On January 5, 2015 Narendra (Pat) Pathipati was appointed Executive Vice President & CFO of Boyd and Secretary-Treasurer of all subsidiary companies except Glass America where he was appointed Vice President. On January 22, 2015 Stephen Boyd was appointed Vice President, Corporate Development. On January 3, 2017, Susie Frausto was appointed Vice President, Marketing. On January 4, 2017, Tim O'Day was appointed President and COO of the Fund. On January 31, 2017, Kevin Burnett and Vince Claudio were each appointed Senior Vice President of Operations. On March 21, 2017, Srikanth Venkatarman was appointed Vice President of Information Services. On May 14, 2018, Eric Danberg was appointed President, Boyd Autobody and Glass (previously President, Canadian Operations). On January 8, 2019, Kevin Burnett was appointed Chief Operating Officer, US Collision and Vince Claudio was appointed Senior Vice President, US Collision. On February 25, 2019, Kim Morin was appointed Vice President and Chief Human Resources Officer. On October 15, 2019, Peter Toni was appointed Assistant Secretary. On January 1, 2020, Tony Canade was appointed Chief Operating Officer, Canadian Operations and Eric Olhava was appointed Senior Vice President, US Collision.

As of March 17, 2020, 409,842 Shares of BGSI were beneficially owned or controlled directly or indirectly by the directors and officers of Boyd as a group, which represented approximately 2.0% of the issued and outstanding Shares of BGSI.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of the Fund and BGSI, and except as described below, no Trustee of the Fund and no Director of BGSI, or a person or company that is the direct or indirect owner of, or who exercises control or direction over, a sufficient number of Shares so as to materially affect the control of BGSI:

(a) is, as at the date of this Annual Information Form or has been, within the 10 years before the date of this Annual Information Form, a director or executive officer of any company, that while the person was acting in that capacity:

   (i) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;

   (ii) was subject to an event that resulted, after the director or executive officer ceased to be a director or officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;

   (iii) or within a year of the 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, receiver manager or trustee appointed to hold its assets; or

(b) has, within the 10 years before the date of this Annual Information Form, become 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, receiver manager or trustee appointed to hold its assets.

Dave Brown, a Trustee of the Fund and Director of BGSI, resigned as a director of each of 2154331 Canada Inc. (formerly Mechtronix Systems Inc.) and 6941249 Canada Inc. (formerly Mechtronix World Corporation) on March 26, 2012. Those companies were each a petitioner/debtor in a proposal made under the *Bankruptcy and Insolvency Act* (Canada) on or about the 16th day of May, 2012.

To the knowledge of the Fund, no Trustees of the Fund (i) have been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority or (ii) have been subject to 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.

Conflicts of Interest

To the knowledge of the Fund, no Trustee of the Fund and no Director of BGSI has an existing or potential material conflict of interest with the Fund, BGSI or any of its subsidiaries.

AUDIT COMMITTEE

Audit Committee Charter

The Audit Committee Charter is attached as Appendix A to this Annual Information Form.

Composition of Audit Committee

The Audit Committee of BGSI is chaired by Dave Brown and includes Allan Davis, Gene Dunn[2] and Violet Konkle. Each member of the audit committee is independent and none receives, directly or indirectly, any compensation from BGSI other than for service as a member of the Board of Trustees and its committees, of which amounts are less than $300,000 annually for each member. All members of the Audit Committee are financially literate as defined under Multilateral Instrument 51-102 – *Audit Committees*.

[2] Gene Dunn will be retiring from the Board as well as his Committee positions effective May 13, 2020.

Relevant Education and Experience of Audit Committee Members

The members of BGSI's Audit Committee bring with them considerable education and business experience, as described below:

Allan Davis is President and Director of AFD Investments Inc. a Winnipeg based management consulting firm specializing in corporate finance, mergers and acquisitions, and strategic development. Mr. Davis is a past Director, Audit Committee member and Compensation Committee member of Exchange Income Corporation (a TSX listed public company). Mr. Davis is a Chartered Professional Accountant and holds a Bachelor of Commerce (Honours) degree from the University of Manitoba.

Dave Brown is President and CEO of Richardson Capital and Managing Director of RBM Capital Limited. Previously, he was Corporate Secretary of James Richardson & Sons, Limited, and a partner in the independent law and accounting firm of Gray & Brown. In addition to serving on the Board of Directors of BGSI, he also serves as a Director of GMP Capital, Inc., Richardson Financial Group and Pollard Banknote Limited. He graduated from the University of Manitoba law school, and is a Chartered Professional Accountant and member of the Manitoba Bar Association.

Gene Dunn is the Chairman of Monarch Industries Ltd. of Winnipeg, a leading Canadian manufacturing company. He is Past Chairman of the Board of Governors for Balmoral Hall School for Girls and Past Chairman of the Winnipeg Blue Bombers Football Club. Mr. Dunn is also the Past Chairman of the Board of Governors of the Canadian Football League. Gene Dunn will be retiring from the Board as well as his Committee positions effective May 13, 2020.

Violet Konkle is the past President and Chief Executive Officer of The Brick Ltd. Prior to joining The Brick in 2010 as President, Business Support, she held a number of positions with Walmart Canada, including Chief Operating Officer and Chief Customer Officer. Ms. Konkle also held a number of senior executive positions with Loblaw Companies Ltd., including Executive Vice President, Atlantic Wholesale Division. Ms. Konkle is a director of The North West Company Inc. (a TSX listed public company) as well as being on the board of three privately held companies including Bailey Metal Products, Elswood Investment Corporation and Abarta. Ms. Konkle also serves on the Advisory Board of Longo's Brothers Fruit Markets Inc., a privately held company. She is a past director of Dare Foods, The Brick Ltd., Trans Global Insurance, the Canadian Chamber of Commerce and the National Board of Habitat for Humanity.

Pre-Approval Policies and Procedures

The Audit Committee has considered whether the provision of services other than audit services is compatible with maintaining the auditors' independence. The Audit Committee has adopted a policy that prohibits the Company from engaging auditors for "prohibited" categories of non-audit services and requires pre-approval by the Audit Committee of audit services and other services within permissible categories of non-audit services.

Audit Fees

Deloitte LLP has served as the Fund's sole auditing firm for the past two years. Fees billed or accrued for the years ended December 31, 2019 and December 31, 2018 by Deloitte LLP and its affiliates are $1,527,164 and $1,227,194, as detailed below:

	2019	2018
Audit fees	$ 826,326	$ 609,760
Audit-related fees	318,645	252,113
Tax compliance/preparation fees	382,193	365,321
Other fees	-	-
	$ 1,527,164	$ 1,227,194

The nature of each category of fees is described below.

Audit fees

Audit fees were paid for professional services rendered by the auditors for the audit of the annual financial statements of the Fund and its subsidiaries or services provided in connection with statutory and regulatory filings or engagements.

Audit-related fees

Audit-related fees were paid for assurance and related services that are reasonably related to the performance of the audit or review of the annual financial statements and are not reported under the audit fees item above. The services consisted of:

- special attest services not required by statute or legislation;
- reporting on the effectiveness of internal controls;
- acquisition due diligence;
- identifying financial reporting issues
- Travel and out-of-pocket costs

These services were pre-approved by the audit committee.

Tax compliance/preparation fees

Tax fees were paid for tax compliance services including the preparation of original and amended Canadian and U.S. tax returns.

Other fees
Other fees were paid for assistance with special matters relating to peer review matters.

PROMOTERS

There are no promoters of the Fund and/or BGSI.

LEGAL PROCEEDINGS

Neither the Fund, BGSI, Boyd nor any of its subsidiaries are involved in any legal proceedings which are material in any respect.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

See pages 31-33 of BGSI's 2019 Annual Report under the heading "Related Party Transactions" for a detailed description of the interest of management and others in material transactions, which description is incorporated by reference herein.

TRANSFER, DISTRIBUTION AGENTS AND REGISTRARS

Computershare Trust Company of Canada (as successor to Valiant Trust Company) is the distribution agent of the Fund and BGSI with respect to payment of any distributions as well as payment of any dividends on Class A common shares of BGHI and Shares of BGSI, with an office in Calgary, Alberta.

MATERIAL CONTRACTS

Neither the Fund, BGSI, Boyd nor any of its subsidiaries have entered into any material contracts requiring disclosure pursuant to National Instrument 51-102 during the most recently completed financial year, or before the most recently completed financial year.

INTERESTS OF EXPERTS

Deloitte LLP is the independent auditor of the Fund.

ADDITIONAL INFORMATION

Additional information, including Directors' and officers' remuneration and indebtedness, principal holders of BGSI's securities and interests of insiders in material transactions, if applicable, will be contained in BGSI's 2020 Information Circular dated March 25, 2020, which information upon issuance of the Information Circular, will be incorporated by reference herein. Copies of the Information Circular may be obtained upon request from the Chief Financial Officer of BGSI.

BGSI will also provide any person with, upon request of the Chief Financial Officer at 1745 Ellice Avenue, Unit C1, Winnipeg, Manitoba, R3H 1A6:

- one copy of this Annual Information Form, together with one copy of any document, or the pertinent pages of any document, incorporated by reference therein; or

- one copy of the financial statements of the Fund discussed above, together with the accompanying report of the auditor and one copy of the most recent interim financial statements of BGSI that have been filed, if any, for any period after the end of its most recently completed financial year provided that BGSI may require the payment of a reasonable charge if the request is made by a person or company who is not a Shareholder.

Additional financial information, along with management's discussion and analysis for the most recently completed financial year can be found in BGSI's 2019 Annual Report.

Additional information relating to the Fund and BGSI may also be found on SEDAR at www.sedar.com.

APPENDIX A: AUDIT COMMITTEE CHARTER

Purpose

The primary purpose of the Audit Committee (the "Audit Committee") of the Board of Directors (the "Board") of the Boyd Group Services Inc. ("BGSI") is to assist the Board in fulfilling its oversight responsibilities by:

- Reviewing the integrity of the consolidated financial statements of BGSI;
- Reviewing BGSI's compliance with legal and regulatory requirements;
- Recommending to the Board the appointment of the independent auditors;
- Reviewing the performance of BGSI's independent auditors;
- Reviewing financial information contained in public filings of BGSI prior to filing;
- Reviewing earnings announcements of BGSI prior to release to the public;
- Overseeing BGSI's systems of internal financial controls and management's compliance for reporting on internal controls;
- Monitoring BGSI's auditing, accounting and financial reporting processes, including the risk of fraud and error;
- Resolving complaints regarding accounting, internal accounting controls or auditing practices; and
- Identifying, monitoring and reviewing the principal risks of BGSI's business and ensuring appropriate systems are in place to manage these risks.

Composition

The Audit Committee shall be composed of not less than three members.

The members of the Audit Committee shall: (i) be free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Audit Committee; and (ii) meet the independence and experience requirements of all applicable corporate, exchange and securities act rules, instruments and regulations in Canada (the "Regulations") including, but not limited to the Toronto Stock Exchange ("TSX") and Canadian national and provincial securities rules and regulations.

All members of the Audit Committee shall be "financially literate" as such term is defined by the Regulations. Notwithstanding the foregoing, a member who is not financially literate may be appointed to the Audit Committee provided that the member becomes financially literate within a reasonable period of time following his or her appointment.

The members of the Audit Committee shall be appointed by the Board. Once appointed, members shall serve for a one year term unless they resign, and may be reappointed to serve consecutive terms.

The Board shall normally designate the Chair of the Audit Committee. In the event that a Board designation is not made, the members of the Audit Committee shall elect a Chair by majority vote of the full Audit Committee membership.

In the event that the Chair of the Audit Committee does not attend a meeting of the Audit Committee, the members of the Audit Committee shall elect a temporary Chair for such meeting by majority vote of the members in attendance at the meeting.

Meetings

The Audit Committee shall meet at least quarterly, and may meet as often as it determines necessary in fulfilling its duties.

Greater than 50% of Audit Committee membership is required for meeting quorum.

Meetings of the Audit Committee shall normally be attended by the CEO and CFO of BGSI. Others may also attend meetings as the Audit Committee may request.

The Audit Committee shall meet at least annually with the independent auditor in a separate in-camera session.

The Audit Committee shall have access to any officer or employee of BGSI or BGSI's outside counsel or independent auditor. The independent auditor will have direct access to the Committee at their own initiative.

Resolutions

Resolutions of the Audit Committee shall require approval by a simple majority of members voting on such resolution.

Responsibilities

The Audit Committee shall document minutes from each meeting held and such minutes shall be made available to all members of the Board. The Audit Committee will report periodically the committee's findings and recommendations to the Board.

Independent Auditor

With respect to BGSI's independent auditors the Audit Committee shall:

- have the sole authority to recommend to the Board the appointment or replacement of the independent auditor (subject, if applicable, to shareholder approval)
- have the independent auditor report directly to the Audit Committee
- meet with the independent auditor prior to the annual audit to discuss the planning, scope and staffing of the audit
- be directly responsible for establishing the compensation of the independent auditor, subject to applicable board and shareholder approval
- ensure the periodic rotation of the audit partner having primary responsibility for the audit and the engagement quality control partner as required by independence standards
- at least on an annual basis, evaluate the qualifications, performance and independence of the independent auditor and the audit partner having primary responsibility for the audit, including considering whether the auditor's quality controls are adequate
- obtain and review a report from the independent auditor at least annually regarding: (i) the independent auditors' internal quality-control procedures, (ii) any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or raised by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the firm, (iii) any steps taken to deal with any issues, and (iv) all relationships between the independent auditor and BGSI
- review and approve BGSI's hiring policies regarding partners, employees, or contractors of the independent auditor
- pre-approve all auditing services and permitted non-audit services (including fees and terms thereof) to be performed for BGSI or its subsidiaries by its independent auditor in accordance with BGSI's policy regarding the approval of audit and non-audit services provided by the independent auditor
- oversee the work of the independent auditor, including the resolution of disagreements between management and the independent auditor regarding financial reporting

Financial Reporting

With respect to BGSI's reporting of unaudited quarterly financial results, the Audit Committee shall:

- Prior to their public release and filing with securities regulatory agencies, review and discuss with management the:

    - press release
    - consolidated financial statements and notes thereto
    - management's discussion and analysis

  The Audit Committee must be satisfied that adequate procedures are in place for the review of BGSI's public disclosure of financial information extracted or derived from BGSI's financial statements and shall periodically assess the adequacy of such procedures

- The review of BGSI's unaudited quarterly financial results shall include, but not be limited to:

    - any significant judgments made in the preparation of financial statements
    - the extent to which changes or improvements in financial or accounting practices have been implemented
    - significant financial reporting issues identified in connection with the preparation of BGSI's financial statements, including any significant changes in BGSI's selection or application of accounting principles, any major issues as to the adequacy of BGSI's internal controls and any special steps adopted in light of material control deficiencies
    - BGSI's use of non-GAAP information
    - BGSI's use of forward-looking financial guidance
    - critical accounting policies and practices
    - the effect of regulatory and accounting initiatives
    - off-balance sheet structures on BGSI's financial statements
    - management certifications of reports filed by BGSI pursuant to the Regulations
    - integrity of BGSI's financial reporting processes
    - any correspondence with regulators or governmental agencies and any published reports which raise material issues regarding BGSI's financial statements or accounting policies

- Recommend to the Board whether the unaudited financial results should be approved by the Board

Annual Audit

With respect to BGSI’s annual audit, the Audit Committee shall:

- Prior to their public release and filing with securities regulatory agencies, review and discuss with management and the independent auditor the:
    - consolidated financial statements and notes thereto
    - press release
    - management's discussion and analysis
    - results of the audit performed by the independent auditor

- The review of BGSI’s audited financial results shall include, but not be limited to:
    - all matters described above with respect to unaudited quarterly financial results
    - results of the audit performed by the independent auditor
    - any significant disagreements among management and the independent auditors in connection with the preparation of financial statements
    - matters required to be discussed by Canadian Auditing Standard 260, Communication with Those Charged with Governance, including any difficulties encountered in the course of the audit work, any restrictions on the scope of activities or access to requested information, and any significant disagreements with management
    - any written communications between the independent auditors and management (e.g., management letters, schedule of unadjusted differences)

- Recommend to the Board whether the audited financial results should be approved by the Board

Regulatory Filings

Except for the Compensation Discussion & Analysis which is reviewed and recommended to the Board for approval by the Compensation Committee, the Audit Committee shall review and recommend to the Board the approval of all documents filed with securities regulatory agencies including, but not limited to:

- The Annual Report
- The Annual Information Form
- Management Proxy Circulars
- Prospectuses

Accounting, Internal Accounting Controls or Auditing Practice Complaints

The Audit Committee shall have procedures for the receipt, retention and treatment of confidential or anonymous complaints received by BGSI regarding accounting, internal accounting controls or auditing practice matters.

Fraud

The Audit Committee shall inquire of management on a periodic basis whether there has been any incident of fraud or any changes to internal controls specifically designed to prevent or detect fraud.

Legal Matters

The Audit Committee shall review with management, and if necessary, BGSI's counsel, any legal matter which could reasonably be expected to have a material impact on BGSI's financial statements or accounting policies.

Risk Management

The Audit Committee shall discuss with management BGSI's major financial risk exposures and the steps management has taken to monitor and control such exposures, including BGSI's risk assessment processes and risk management policies.

Internal Controls

The Audit Committee shall review and assess BGSI's system of internal controls, control culture, and risk assessment and control activities and shall ensure that management has designed and implemented an appropriate internal control system.

Corporate Knowledge

The Audit Committee shall strive to expand continually its knowledge of BGSI's activities.

Review of Charter

The Audit Committee shall review and reassess the adequacy of this Charter annually.

Self Assessment

The Audit Committee shall annually review the Audit Committee's own performance.

Other

The Audit Committee shall undertake any other activities consistent with this Charter, BGSI's by-laws and governing law, that the Audit Committee or the Board deem necessary or appropriate.

Approval of Charter

This Audit Committee charter requires approval by the Board.

Future changes to this charter require approval by the Board based on the recommendation of the Audit Committee.

Other Advisors

The Audit Committee shall have the authority, to the extent it deems necessary or appropriate, to retain independent legal, accounting or other advisors including consulting with the national office of the independent auditor. BGSI shall provide for appropriate funding, as determined by the Audit Committee, for payment of compensation to the independent auditor for the purpose of rendering or issuing an audit report and to any advisors employed by the Audit Committee.

Limitation

While the Audit Committee has the responsibilities and power set forth in this Charter, it is the responsibility of management and the independent auditor - not the Audit Committee - to plan or conduct audits or to determine that BGSI's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations.