

INFORMATION MEMORANDUM

GLACIER CREDIT CARD TRUST<sup>®</sup>

Series 1997-1

Short Term Asset-Backed

Commercial Paper Notes

*This Information Memorandum has been prepared for use in connection with the sale in Canada of short term asset-backed commercial paper notes issued from time to time by Glacier Credit Card Trust and is not, and under no circumstances is to be construed as an offering of such securities for sale directly or indirectly in the United States of America or in the territories and possessions thereof or to, or for the account or benefit of, any U.S. person.*

*No person has been authorized to give any information or to make any representation not contained in this Information Memorandum and, if given or made, such information or representation must not be relied upon as having been authorized. The information contained in this Information Memorandum is current as of the date hereof.*

*This Information Memorandum does not in any way obligate Glacier Credit Card Trust to accept an offer to purchase any of the Series 1997-1 Short Term Asset-Backed Commercial Paper Notes described herein.*

**This Information Memorandum does not contain a misrepresentation regarding Glacier Credit Card Trust, its structure or its operations.**

## GLACIER CREDIT CARD TRUST<sup>®</sup>

Series 1997-1  
Short Term Asset-Backed  
Commercial Paper Notes

Unlimited Issue\*

Selling Agents:

Bank of Montreal, Canadian Imperial Bank of Commerce,  
RBC Dominion Securities Inc., Scotia Capital Inc.  
and The Toronto-Dominion Bank

Rated by:

DBRS Limited: R-1 (high) (sf)

and

Fitch Ratings, Inc.: F1+sf

February 9, 2018

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<sup>®/™</sup> The trade marks of Canadian Tire Corporation, Limited are used under licence. The trade mark of MasterCard International Inc. is used under licence.

\* Subject to the limitations and conditions set forth in the Series 1997-1 Indenture and the Syndicated Series 1997-1 Liquidity Agreement (as such terms are defined herein)

## SUMMARY

### GLACIER CREDIT CARD TRUST Series 1997-1 Short Term Asset-Backed Commercial Paper Notes

*This is a summary only. Reference should be made to the Series 1997-1 Indenture (as defined herein) for specific details respecting the terms of the Series 1997-1 Short Term Asset-Backed Commercial Paper Notes.*

#### General<sup>1</sup>

- Issuer:** Glacier Credit Card Trust (the “**Trust**”), established by an amended and restated declaration of trust governed by the laws of the Province of Ontario dated as of November 29, 1995, as amended on November 19, 2002 and June 30, 2003, as supplemented on September 5, 2008, as amended on July 21, 2010, as the same may be further amended, supplemented, restated or otherwise modified from time to time (the “**Declaration of Trust**”). The Trust was named Canadian Tire Receivables Trust™ until June 30, 2003.
- Sponsor:** Canadian Tire Bank (“**CTB**”), a Schedule I Canadian chartered bank formed under the *Bank Act* (Canada) which is an indirect, 80%-owned subsidiary of Canadian Tire Corporation, Limited (“**Canadian Tire**”) and an indirect, 20%-owned subsidiary of The Bank of Nova Scotia (“**Scotiabank**”).
- Designation:** Series 1997-1 Short Term Asset-Backed Commercial Paper Notes (the “**Notes**”).
- Purpose:** The net proceeds from the sale of the Notes will be used by the Trust to: finance its purchase from CTB (the “**Seller**”) of an undivided co-ownership interest (the “**Series 1997-1 Ownership Interest**”) in a revolving Asset Pool (the “**Selected Asset Pool**”) of credit card receivables generated from time to time by transactions made by customers under certain revolving MasterCard® and Canadian Tire® credit card accounts originated or acquired by CTB (the “**Receivables**”); purchase from the Seller additional Ownership Interests (as defined herein) in connection with the Series 1997-1 Ownership Interest; or repay maturing Notes (including interest thereon).
- Principal Amount:** Subject to compliance with certain asset coverage and liquidity agreement requirements, the aggregate principal amount of Notes which may be outstanding at any time is unlimited.
- Forms of Notes:** The Notes will be issued in either certificated form (in either bearer or fully registered form) (“**Certificated Notes**”) or book-entry form (“**Book-Entry Notes**”), and may bear interest payable at maturity or

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<sup>1</sup> Reference is made to the Glossary attached as Schedule I for the definitions of any capitalized terms used herein which are not otherwise defined herein.

be sold at a discount and mature at face value. Book-Entry Notes will be represented by fully registered book-entry notes held by, or on behalf of, CDS Clearing and Depository Services Inc. (“**CDS**”), or a successor thereof, as custodian of such notes, and registered in the name of CDS or its nominee.

**Denominations:**

Multiples of \$1,000 in Canadian currency.

**Maturities:**

The Notes will mature on a business day 364 days or less from the date of issuance. The maturity date of the Notes cannot be extended. The Notes cannot be early redeemed prior to the maturity date. The Trust cannot repay the Notes prior to the maturity date.

**Rates:**

Available on request.

**Credit Ratings:**

DBRS Limited (“**DBRS**”): R-1 (high) (sf).

Fitch Ratings, Inc. (“**Fitch**”): F1+sf.

**Security and Recourse:**

The Notes represent secured debt obligations of the Trust. Holders of Notes (the “**Series 1997-1 Noteholders**”) will have recourse with certain other persons to the Series 1997-1 Ownership Interest in the Receivables. The Receivables are generated from time to time by transactions made by customers under certain revolving MasterCard® and Canadian Tire® credit card accounts owned by CTB (the “**Accounts**”). Series 1997-1 Noteholders will not have recourse to assets of the Trust to which other series of notes have exclusive recourse. The Series 1997-1 Ownership Interest is one of multiple Ownership Interests created and sold in “**Series**” under the Pooling and Servicing Agreement (as defined herein). The Trust is unique in Canada as it issues short-term Securitized Product, being the Notes, as well as multiple series of medium term notes under a base shelf prospectus. There is also an arrangement in place with Scotiabank whereby, subject to the satisfaction of certain conditions, Scotiabank is committed to purchase or increase series of notes issued by the Trust on a private placement basis.

**Liquidity Arrangements:**

The Trust may borrow funds under liquidity arrangements established with Liquidity Lenders (as defined herein) to meet its obligations under maturing Notes, provided that the Liquidity Lenders are not obligated to advance funds if the Trust is bankrupt or insolvent or for an amount which is greater than the Net Asset Value – see “The Series 1997-1 Indenture – Liquidity Facility” below.

**Delivery and Payment:**

Delivery of Certificated Notes will be made against payment therefor and payment on maturity of Certificated Notes will be made at the branches of the Paying Agent (as defined herein) designated on the face of the Notes. Delivery and payment on maturity of Book-Entry Notes will be made in accordance with the rules established by CDS.

## Principal Parties

**Issuer Trustee:** Computershare Trust Company of Canada is the trustee of the Trust under the Declaration of Trust (in such capacity, the "**Issuer Trustee**"). The Issuer Trustee is a trust company governed by the *Trust and Loan Companies Act* (Canada) and is qualified to carry on business as a trustee in each province and territory of Canada where required for purposes of carrying on the business of the Trust. Any reference to the Trust in this Information Memorandum, includes, where appropriate, the Issuer Trustee acting in its capacity as trustee of the Trust.

**Indenture Trustee:** BNY Trust Company of Canada is the indenture trustee under the Trust Indenture (as defined herein) (in such capacity, the "**Indenture Trustee**"). The Indenture Trustee is a trust company governed by the *Trust and Loan Companies Act* (Canada) and is qualified to carry on business as a trustee in each province and territory of Canada where required for purposes of fulfilling its duties under the Trust Indenture.

The Indenture Trustee's principal duties under the Trust Indenture, and the related supplements thereto, are to: (a) hold the security interest in the assets of the Trust for and on behalf of the holders of the Trust's series of notes (including the Series 1997-1 Noteholders) and certain other creditors of the Trust, and (b) enforce remedies under and in accordance with the terms of the Trust Indenture at the direction of the holders of a series of notes should there be an event of default and acceleration of such series of notes (which could include the Notes).

**Administrator:** CTB, as "**Administrator**", performs certain administrative and management activities for and on behalf of the Trust pursuant to an amended and restated administration agreement dated as of November 29, 1995, as the same may be further amended, supplemented, restated or otherwise modified from time to time (the "**Administration Agreement**").

**Servicer:** CTB acts as servicer of the Receivables (the "**Servicer**") pursuant to the second amended and restated pooling and servicing agreement dated as of November 11, 2010 between Computershare Trust Company of Canada, as custodian (the "**Custodian**"), CTB, as the seller and the servicer, and each co-owner of an Ownership Interest from time to time (as the same may be further amended, supplemented, restated or otherwise modified from time to time, the "**Pooling and Servicing Agreement**"). Canadian Tire has guaranteed the performance of CTB's Servicer obligations.

**Liquidity Lenders:** Canadian Schedule I chartered banks Royal Bank of Canada, Scotiabank, Bank of Montreal, Canadian Imperial Bank of

Commerce and The Toronto-Dominion Bank are the liquidity lenders (the "**Liquidity Lenders**") under the Syndicated Series 1997-1 Liquidity Agreement, as defined and described herein under "The Series 1997-1 Indenture - Liquidity Facility".

**Paying Agent:**

Bank of Montreal has been appointed by the Trust as paying agent (the "**Paying Agent**") for the Notes pursuant to a registrar and issuing, certification, transfer and paying agency agreement made as of March 10, 1997 (as the same may be amended, supplemented, restated or otherwise modified from time to time, the "**Registrar and Issuing, Certification, Transfer and Paying Agency Agreement**"). The Paying Agent will act on behalf of the Indenture Trustee in the issuance of Notes and payment of principal of and interest on the Notes from time to time.

**Selling Agents:**

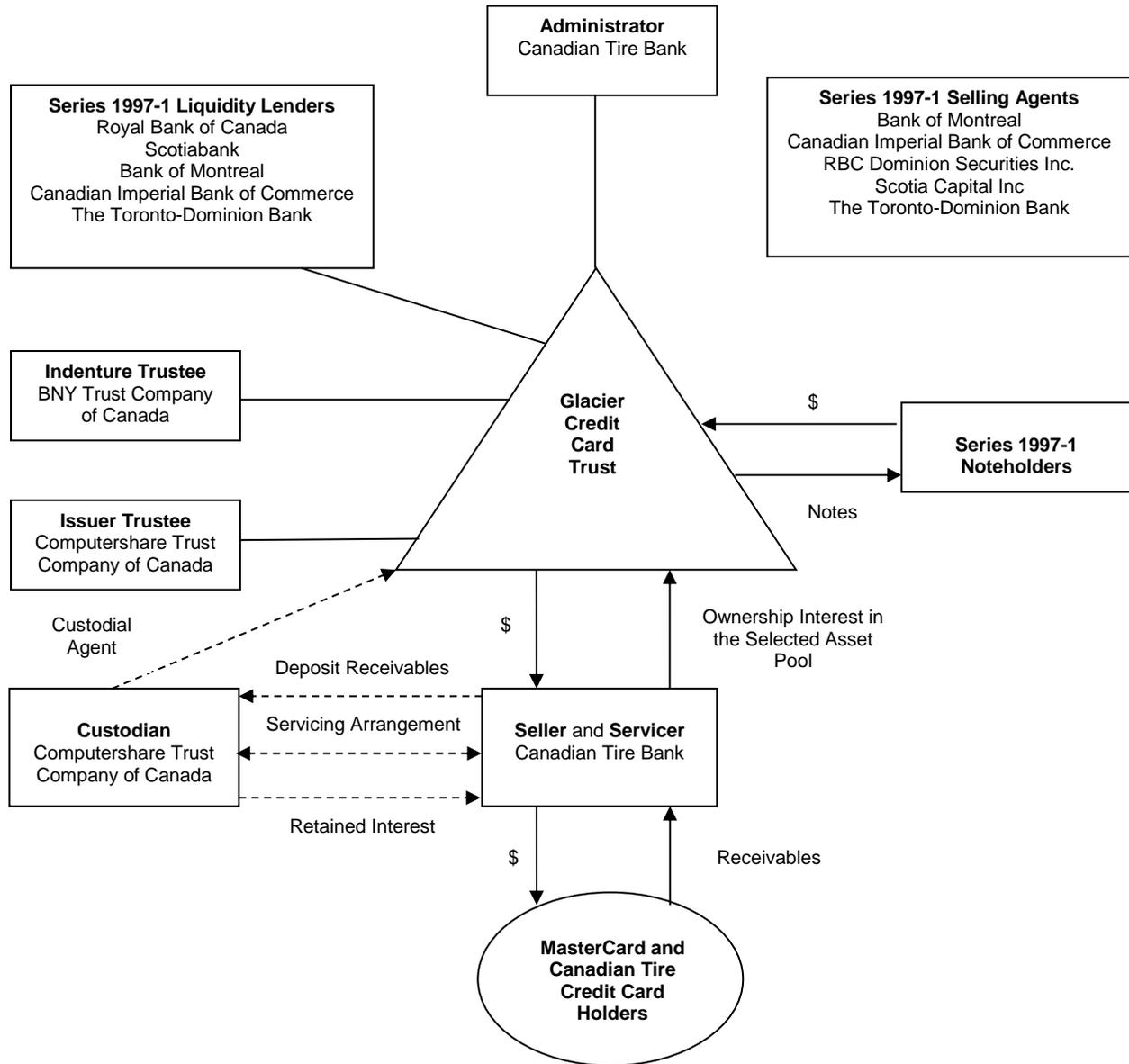
Bank of Montreal, Canadian Imperial Bank of Commerce, RBC Dominion Securities Inc., Scotia Capital Inc. and The Toronto-Dominion Bank (the "**Selling Agents**") have agreed to act on behalf of the Trust for the purpose of soliciting and receiving offers to purchase the Notes pursuant to a selling agency agreement dated February 9, 2018 between the Trust and the Selling Agents (as the same may be amended, supplemented, restated or otherwise modified from time to time, the "**Selling Agency Agreement**").

**Material Agreements:**

The Trust has entered into the following material agreements relating to the Notes and the Selected Asset Pool (all as defined herein):

- Administration Agreement
- Declaration of Trust
- Pooling and Servicing Agreement
- Registrar and Issuing, Certification, Transfer and Paying Agency Agreement
- Selling Agency Agreement
- Series 1997-1 Indenture
- Series 1997-1 Purchase Agreement
- Syndicated Series 1997-1 Liquidity Agreement
- Trust Indenture

## Illustrative Series 1997-1 Program Schematic



### Special Purpose Nature

The Trust is a special purpose entity with no business activities other than acquiring and financing the purchase of undivided co-ownership interests in the Receivables (“**Ownership Interests**”) and related activities, and has no significant assets other than Ownership Interests and certain related assets. The liability of the Issuer Trustee under the Notes, except in cases of dishonesty, bad faith, wilful misconduct, gross negligence or reckless disregard of a duty, is limited to certain assets of the Trust.

The Trust has provided an undertaking to the Indenture Trustee that it will only acquire a direct or indirect ownership or security interest in Asset Pools consisting of one or more of the following:

- (a) a bond;
- (b) a mortgage;
- (c) a lease;
- (d) a loan;
- (e) a receivable;
- (f) a royalty; and
- (g) any real or personal property securing or forming part of the Asset Pool.

Asset Transactions entered into by the Trust will not include any highly structured products such as collateralized debt obligations, arbitrage transactions or leveraged finance transactions.

### **Permitted Hedging Activities**

The Trust may enter into interest rate hedging agreements as it considers necessary or desirable in connection with the Notes, subject to satisfaction of certain conditions precedent set out in the Trust Indenture. Proceeds to the Trust under hedging agreements will be subject to the security interest granted by the Trust under the Trust Indenture and will be available to meet the Trust's obligations under the Notes and certain related obligations. The obligations of the Trust under hedging agreements will be secured obligations under the Trust Indenture providing hedge counterparties, along with Series 1997-1 Noteholders and certain other persons, with recourse to the Series 1997-1 Ownership Interest. To date, the Trust has not entered into any hedging agreements and it does not anticipate doing so, especially in relation to Series 1997-1.

### **Canadian Tire Bank**

CTB has agreed to carry out certain administrative and management activities as Administrator of the Trust and to act as Servicer of the Receivables. Accordingly, the Trust relies on CTB to, among other things, service the Accounts, collect all payments due under the Receivables and determine the cashflow, financing and hedging needs of the Trust. The Issuer Trustee may, in specified circumstances and subject to certain conditions, replace CTB as Administrator and Servicer.

## **THE RECEIVABLES**

### **Credit Card Accounts**

The Receivables are generated by transactions made by customers under Accounts. MasterCard credit card accounts are created in connection with the extension of credit by CTB to cardholders on a revolving basis to finance the purchase of products and services from entities that accept the MasterCard credit card as a form of payment and to make cash advances to cardholders. Canadian Tire credit card accounts were created in connection with the extension of credit by CTB to cardholders on a revolving basis to finance the purchase of products and services from Canadian Tire associate stores, other Canadian Tire operations and certain organizations associated with Canadian Tire, and to make cash advances to cardholders. The Receivables consist of amounts owing by the cardholders under the Accounts. The amount of Receivables (the "**Pool Balance**") fluctuates from day to day as new

Receivables are generated in the Accounts and as existing Receivables are collected, written-off or otherwise adjusted.

Substantially all of the Receivables were generated under MasterCard credit card accounts as opposed to Canadian Tire credit card accounts. Canadian Tire credit card accounts have different terms and conditions from the MasterCard credit card accounts, although for the most part, the terms and conditions of MasterCard and Canadian Tire credit card accounts have been aligned. Subject to certain conditions, CTB may amend the credit card agreements relating to any or all of the Accounts and its practices and procedures relating to the operation of its credit card business. These amendments may include changes to the credit charge rate(s) borne by the Receivables, the timing of write-offs and the charging of fees, and may therefore have an impact upon the Receivables.

The Trust will generally be dependent upon CTB for the generation of new Receivables. There can be no assurance that CTB will continue to originate Receivables at the same rate as in prior years.

### **The Selected Asset Pool**

New credit card accounts originated by CTB are not automatically included in the Selected Asset Pool. The Accounts currently in the Selected Asset Pool have been selected from Eligible Accounts (as defined herein) in CTB's portfolios of MasterCard credit card accounts and Canadian Tire credit card accounts. Additional Eligible Accounts may be added in the future and, subject to certain pre-conditions, Accounts may be removed from the Selected Asset Pool or substituted with other accounts of the same cardholders. Selected historical information relating to the Accounts is available on [www.sedar.com](http://www.sedar.com) and [www.canadiantire.ca](http://www.canadiantire.ca) (click on: About Canadian Tire/Corporate Information/Investors/Debt-holders/Glacier Credit Card Trust/ABCP Series 1997-1).

An "**Eligible Account**" (a defined term contained in the Pooling and Servicing Agreement) is a credit card account established by or assigned to CTB with a cardholder which, as of the date specified for its designation to the Selected Asset Pool:

- (a) is in existence, maintained and serviced by the Servicer, a sub-servicer delegated responsibility by the Servicer as permitted by the Pooling and Servicing Agreement or a successor servicer appointed under the Pooling and Servicing Agreement;
- (b) is an account in respect of which no amounts have been written-off at any time or are classified as past due on the specified date;
- (c) is not identified by the Servicer as being the subject of any voluntary or involuntary bankruptcy or insolvency proceeding; and
- (d) has on the specified date provided to the Servicer a billing address located in Canada.

The Servicer, in addition to the procedures associated with verifying that such a credit card account is an Eligible Account, may also be required by the Administrator to perform further qualitative and quantitative due diligence on the credit card account in order to obtain confirmation from DBRS and Fitch that adding the Eligible Accounts to the Selected Asset Pool will not result in such rating agencies downgrading, suspending or withdrawing their ratings of

the Notes. This could also result in a change in the Enhancement Percentage (as defined herein).

### **Required Pool Amount**

The amount of Receivables from time to time in the Selected Asset Pool (other than written-off amounts and certain other amounts) must be sufficient to cover the stated dollar amount of the Ownership Interests created and sold by CTB from time to time, plus a specified margin to cover returns and other portfolio dilutions and specified enhancement amounts (the sum of such amounts at any time being the “**Required Pool Amount**”). If the Pool Balance falls below the Required Pool Amount, CTB is obligated to add additional Eligible Accounts to the Selected Asset Pool until the Pool Balance equals or exceeds the Required Pool Amount. If CTB fails to add additional Eligible Accounts in these circumstances within a specified period of time, an amortization event will occur in relation to the Series 1997-1 Ownership Interest.

### **Collection of Receivables**

The Receivables will be collected, and all Accounts will be administered, by CTB as Servicer for and on behalf of the Trust and other co-owners of the Receivables. CTB may be replaced as Servicer in certain circumstances, such as the failure of CTB to fulfil certain obligations, the insolvency of CTB or its withdrawal from the revolving credit card business.

### **Commingling of Collections**

Canadian Tire has guaranteed the performance of the servicing obligations of CTB. If (a) Canadian Tire continues to guarantee the performance of CTB’s servicing obligations, (b) Canadian Tire maintains a rating from each of DBRS and Fitch on its securities equivalent to (i) at least “R-1 (low)” from DBRS if DBRS is then rating Canadian Tire’s securities, and (ii) a long-term unsecured debt rating of “A” and a short-term unsecured debt rating of “F1” from Fitch if Fitch is then rating Canadian Tire’s securities, or if Fitch is not then rating Canadian Tire’s securities, the rating agency condition shall have been satisfied in respect of Fitch and Fitch shall not have indicated that it intends to, or has downgraded, any Notes, (c) Canadian Tire maintains a rating from Standard and Poor’s Ratings Services (“**S&P**”) on its short-term unsecured debt of “A-1 (mid)” if S&P is then rating the Notes or any other securities issued by the Trust, and (d) certain other conditions are satisfied, then CTB is entitled to commingle collections on the Receivables (the “**Collections**”) with its general funds for a period not exceeding 30 days from the applicable collection date.

As of the date of this Information Memorandum, Canadian Tire’s securities do not satisfy the minimum ratings requirements set forth in the previous paragraph. Accordingly, CTB is currently not permitted to commingle Collections required to be deposited in respect of the Notes and the Trust’s other payment obligations with respect to the Series 1997-1 Ownership Interest. CTB may commingle any excess Collections, as permitted under the Pooling and Servicing Agreement, but is required to comply with the Partial Commingling Condition in connection with such commingling. If the daily asset test described in paragraph (a) of the definition of Partial Commingling Condition indicates that the Pool Balance is less than the Required Pool Amount, then the Servicer will thereafter deposit excess Collections into the collection account not later than the second business day after the applicable date of processing, and payments to CTB with respect to its Retained Interest (as defined herein) will be restricted.

## **Administration and Monitoring of Receivables**

The Administrator will, on an ongoing basis, monitor the performance of the Receivables in which the Trust has acquired an Ownership Interest. CTB also services the Accounts, including collecting the cash-flows from such Accounts. CTB, as Servicer, is required to provide the Trust with periodic performance reports, not less than monthly, which typically include information on Collections received, delinquencies and losses incurred, asset balances and other information to assist the Administrator with its monitoring function and reporting obligations. As part of its monitoring function in respect of Receivables, the Administrator will also review the on-going performance of CTB and the Receivables against the requirements set out in the Pooling and Servicing Agreement and the Series 1997-1 Purchase Agreement (as defined herein). The consequences of CTB or the Receivables failing to meet the minimum performance standards set out in the Pooling and Servicing Agreement and the Series 1997-1 Purchase Agreement may include, without limitation: (a) the termination of further acquisitions from CTB; (b) the suspension of the payment of any residual amounts owed to CTB until all amounts owing to the Trust under the Series 1997-1 Ownership Interest have been paid to the Trust; (c) the termination of CTB as the Servicer of the Receivables; and (d) the amortization of the Series 1997-1 Ownership Interest.

## **THE SERIES 1997-1 OWNERSHIP INTEREST**

### **Creation and Sale**

The Series 1997-1 Ownership Interest is a fully-serviced, undivided co-ownership interest in the Selected Asset Pool of Receivables. It was created and sold to the Trust pursuant to an amended and restated series purchase agreement dated as of February 9, 2018 (as the same may be further amended, supplemented, restated or otherwise modified from time to time, the “**Series 1997-1 Purchase Agreement**”), which agreement supplements the terms of the Pooling and Servicing Agreement. The stated dollar amount of the Series 1997-1 Ownership Interest was initially approximately \$100 million, and may increase or decrease from time to time, as determined by the Administrator, through the purchase of additional Ownership Interests in connection with the Series 1997-1 Ownership Interest or a decrease in the invested amount of the Series 1997-1 Ownership Interest through a decrease in the total outstanding principal amount of Notes and any Liquidity Note(s) (as defined herein) from Collections. The aggregate amount of Notes outstanding under the Trust’s asset-backed commercial paper program will likewise increase and decrease. The stated dollar amount of the Series 1997-1 Ownership Interest and the Notes may also increase over time from the funding of interest owing on the Notes at maturity.

The Series 1997-1 Ownership Interest is one of the Ownership Interests created and sold in Series under the Pooling and Servicing Agreement. Other Series of Ownership Interests have been created and sold in the past and may be created and sold in the future. See “Other Series of Ownership Interests” below. CTB retains the residual undivided co-ownership interest in the Selected Asset Pool of Receivables – see – ‘Retained Interest’.

### **Entitlements of the Trust**

The Series 1997-1 Ownership Interest entitles the Trust to receive a portion of future Collections up to, but in some circumstances less than, an amount sufficient to cover payments on the Notes and certain other amounts. However, if a specified percentage of Receivables plus recoveries minus written-off amounts does not exceed the Trust’s funding costs associated with the Notes, expenses and other amounts, the Trust’s entitlement to future Collections in

respect of the Series 1997-1 Ownership Interest may not be sufficient to cover the full amount of the Trust's obligations under the Notes and related expenses. In this circumstance, there will be a deficiency equal to the shortfall if and to the extent that the shortfall is greater than the Enhancement Amount (as defined herein) for the Series 1997-1 Ownership Interest at the time that the shortfall is incurred.

### **The Enhancement Amount**

The Pooling and Servicing Agreement generally allocates Account balance write-offs and Selected Asset Pool income deficiencies to CTB and co-owners proportionately, based on their respective stated dollar interests in the Receivables. However, a series purchase agreement that creates a new Series may, by its terms, disproportionately allocate Account balance write-offs and Selected Asset Pool income deficiencies to the Retained Interest. If such disproportionate allocation occurs, the stated dollar amount of the Retained Interest would be reduced disproportionately. The "**Enhancement Amount**" of a Series represents the maximum amount, in dollars, by which the Retained Interest may be disproportionately reduced in these circumstances.

Subject to any reductions to the Enhancement Amount for the Series 1997-1 Ownership Interest in accordance with the terms of the Series 1997-1 Purchase Agreement, the Enhancement Amount for the Series 1997-1 Ownership Interest on a determination day is an amount equal to the lesser of:

(a) an amount equal to:

- (i) if the determination day occurs during the revolving period for the Series 1997-1 Ownership Interest, the product of 11.5% (the "**Enhancement Percentage**") and the greater of (x) 40% of the largest unadjusted invested amount of the Series 1997-1 Ownership Interest at any time during the most recently completed twelve determination periods and (y) the unadjusted invested amount of the Series 1997-1 Ownership Interest for the determination day; or
- (ii) if the determination day occurs during an amortization period for the Series 1997-1 Ownership Interest, the product of the Enhancement Percentage and the invested amount of the Series 1997-1 Ownership Interest as of the determination day immediately preceding the commencement of such amortization period; and

(b) an amount equal to the sum of:

- (i) the Enhancement Amount for the Series 1997-1 Ownership Interest for the immediately preceding determination day, less any amounts in respect of enhancement draws for such immediately preceding determination day plus any amounts in respect of enhancement recoveries for the Series 1997-1 Ownership Interest for such immediately preceding determination day; and
- (ii) the product of (x) the Enhancement Percentage and (y) the amount, if any, by which the unadjusted invested amount of the Series 1997-1 Ownership Interest for the determination day exceeds the unadjusted

invested amount of the Series 1997-1 Ownership Interest for the immediately preceding determination day.

### **Allocation of Collections**

Collections from Receivables will be allocable to the Trust in respect of the Series 1997-1 Ownership Interest based on the proportion that the stated dollar amount of the Series 1997-1 Ownership Interest is of the entire Pool Balance. This proportion may vary depending upon whether Collections are received prior to or during any amortization period for the Series 1997-1 Ownership Interest, whether other Series of Ownership Interests have been sold by CTB and whether any such other Series are in their amortization or liquidation period. The allocable portion of Collections from the Series 1997-1 Ownership Interest will be available to make any payments in respect of maturing Notes (and any Liquidity Note(s)) and to pay the Trust's other expenses relating to the Series 1997-1 Ownership Interest, if and to the extent that such payments are not funded by the Trust issuing additional Notes. Collections which are allocable to the Series 1997-1 Ownership Interest that are not used by the Trust to meet its payment obligations will be re-invested in Receivables on behalf of the Trust to sustain the stated dollar amount of the Series 1997-1 Ownership Interest.

In addition to the specified portion of Collections allocable to the Series 1997-1 Ownership Interest, the Series 1997-1 Ownership Interest may be entitled to receive additional Collections which had been initially allocated to other Series of Ownership Interests, but which were not required by the co-owners of such other Ownership Interests.

### **Other Series of Ownership Interests**

The Trust currently owns other Series of Ownership Interests and CTB may sell other Series of Ownership Interests in the future. Other Series of Ownership Interests may have terms that differ from those of the Series 1997-1 Ownership Interest. There can be no assurance that the existence and future sale of other Series of Ownership Interests might not have an impact on the timing or amounts of distributions to the Trust in respect of the Series 1997-1 Ownership Interest and, in turn, on the timing or amounts of payments to the Series 1997-1 Noteholders. As at the date of this Information Memorandum, the senior medium term notes of the Trust are rated AAA (sf) by DBRS and AAA (sf) by S&P. Subordinated medium term notes of the Trust, issued as credit enhancement for the senior medium term notes of the Trust, are rated either A (high) (sf) or A (sf) by DBRS and A+ (sf) or A (sf) by S&P.

### **The Retained Interest**

The balance of the interest in the assets of the Selected Asset Pool other than the Ownership Interests of all outstanding Series constitutes the "**Retained Interest**" owned by CTB. The dollar amount of the Retained Interest is calculated as the remainder of the Pool Balance after deducting the sum of the invested amounts of all of the outstanding Series. The dollar value of the Retained Interest at any time must be maintained at not less than the Required Pool Amount less the sum of the invested amounts for all outstanding Series.

## THE SERIES 1997-1 INDENTURE

### Summary of Terms

The Notes will represent secured debt obligations of the Trust. Series 1997-1 Noteholders will have recourse with certain other persons to the Series 1997-1 Ownership Interest. The Notes will be issued from time to time pursuant to a trust indenture (the “**Trust Indenture**”) dated as of November 29, 1995 between the Trust and BNY Trust Company of Canada, as successor Indenture Trustee, as supplemented by a first supplemental indenture dated as of November 15, 2005 (the “**First Supplemental Indenture**”), a second supplemental indenture dated as of November 11, 2010 (the “**Second Supplemental Indenture**”) and a third supplemental indenture dated as of February 8, 2012 (the “**Third Supplemental Indenture**”) and as supplemented by an amended and restated Series 1997-1 supplement dated as of February 9, 2018 (as the same may be further amended, supplemented, restated or otherwise modified from time to time, the “**Series 1997-1 Supplement**”) relating to the Notes (the Trust Indenture as supplemented by the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture and the Series 1997-1 Supplement, the “**Series 1997-1 Indenture**”). The description in this Information Memorandum of certain attributes and characteristics of the Notes, the Series 1997-1 Indenture and certain other arrangements contemplated or permitted by the Trust Indenture does not purport to be complete. Reference is made to the Series 1997-1 Indenture for the full particulars of such attributes and characteristics. The Series 1997-1 Indenture may be inspected by prospective purchasers of Notes at the offices of the Issuer Trustee at 100 University Avenue, 11<sup>th</sup> Floor, Toronto, Ontario M5J 2Y1, telephone: (416) 263-9200.

### The Trust Indenture

The Trust Indenture provides for the issuance of series of notes, each pursuant to a series supplement. The aggregate principal amount of notes which may be issued is not limited by the Trust Indenture, but notes may only be issued in order to finance the Trust’s investment in Ownership Interests and upon the terms and subject to the conditions provided in the Trust Indenture. The series supplement for a series of notes provides for the attributes of the series, including certain events of default, subordination provisions and priority of payment provisions. Certain remedies arising upon the occurrence of events of default, including the right to replace CTB as the Administrator and to exercise certain rights and discretions of the Issuer Trustee, may only be exercised upon the affirmative vote of persons holding a specified percentage of the aggregate outstanding principal amount of all outstanding notes issued under the Trust Indenture.

The Trust will finance the payment of amounts owing under the Notes by one or a combination of the following: (a) applying Collections distributed to the Trust in respect of the Series 1997-1 Ownership Interest; (b) issuing replacement Notes and applying the proceeds to repay existing Notes; (c) issuing a new series of notes of the Trust or increasing the principal amount of an outstanding series of notes of the Trust and applying some or all of the proceeds of such series of notes to repay existing Notes; or (d) issuing a Liquidity Note(s) under the Syndicated Series 1997-1 Liquidity Agreement (as defined herein) and applying the proceeds of the Liquidity Note(s) to repay existing Notes. Collections from the Series 1997-1 Ownership Interest will also be applied to pay amounts owing to any third party credit enhancers, Liquidity Lenders and other persons whose entitlements are to be paid from amounts received by the Trust in respect of the Series 1997-1 Ownership Interest. Series 1997-1 Noteholders and such other entitled persons will have recourse to the Series 1997-1 Ownership Interest. Series 1997-1 Noteholders will not have recourse to other Series of Ownership Interests.

**THE NOTES ARE NOT OBLIGATIONS OF CANADIAN TIRE, CTB, THE ISSUER TRUSTEE (OTHER THAN IN ITS CAPACITY AS TRUSTEE OF THE TRUST), THE CUSTODIAN, THE INDENTURE TRUSTEE, THE LIQUIDITY LENDERS, THE SELLING AGENTS, THE PAYING AGENT, THE BENEFICIARY OF THE TRUST OR ANY AFFILIATE THEREOF AND SERIES 1997-1 NOTEHOLDERS WILL HAVE NO RECOURSE TO PROPERTY DEPOSITED IN RESPECT OF OTHER SERIES OF OWNERSHIP INTERESTS OR TO THE PROPERTY OF THE ISSUER TRUSTEE IN ITS INDIVIDUAL CAPACITY OR TO ANY ENHANCEMENT OR SUBORDINATION PROVIDED IN RESPECT OF ANY OTHER SERIES OF NOTES.**

The Trust Indenture provides for a security sharing arrangement pursuant to which the Series 1997-1 Noteholders will be entitled to receive priority over the Series 1997-1 Ownership Interest and all Collections distributed in respect of the Series 1997-1 Ownership Interest, subject to prior payment of certain specified amounts and the Liquidity Note(s) being on a *pari passu* basis with the Notes. All such security will be held by the Indenture Trustee for the benefit of the Series 1997-1 Noteholders and all other persons with a security interest provided for under the Trust Indenture. The Issuer Trustee has agreed not to grant or permit any security interest over the property of the Trust, other than as permitted or provided for under the Trust Indenture.

Registrations in respect of the Trust Indenture or other related security documents that secure payment of the Notes, and registrations of appropriate forms of assignment or other appropriate registrations in respect of the sale of the Series 1997-1 Ownership Interest to the Trust, have been made in all of the provinces and territories of Canada where required by the laws of such jurisdictions.

### **Liquidity Facility**

The Trust has entered into a fourth amended and restated syndicated liquidity agreement dated as of July 7, 2016, as amended July 7, 2017 (as so amended and as may be further amended, supplemented, restated or otherwise modified from time to time, the **"Syndicated Series 1997-1 Liquidity Agreement"**) with the Liquidity Lenders, led by Royal Bank of Canada as agent (the **"Agent"**), pursuant to which the Liquidity Lenders are required to make advances to the Trust, provided that the Trust is not bankrupt or insolvent and the amount advanced is not greater than the Net Asset Value. Borrowings under the Syndicated Series 1997-1 Liquidity Agreement will be evidenced by a note(s) (the **"Liquidity Note(s)"**) issued to the Liquidity Lenders or the Agent under the Series 1997-1 Indenture. Amounts payable under the Liquidity Note(s) will be paid on a *pari passu* basis with the Notes.

Under the Syndicated Series 1997-1 Liquidity Agreement, each Liquidity Lender has established in favour of the Trust a revolving term credit by way of increase in the amount owing under the Liquidity Notes by way of either prime loans, BA equivalent loans or, in the case of the Agent, swing line loans up to a maximum of \$30,000,000 of swing line loans. The aggregate amount of borrowings outstanding by the Trust under the Liquidity Note(s) shall at no time exceed the lesser of \$300,000,000 and the collateral (as adjusted for Selected Asset Pool losses and the Enhancement Amount) with respect to the Notes, although the Trust has an option to decrease the \$300,000,000 amount referenced above (but not to an amount below the aggregate amount owing on the Notes and the Liquidity Note(s) at that time) or increase such amount, in each case, subject to certain conditions precedent set out in the Syndicated Series 1997-1 Liquidity Agreement.

The Trust may make borrowings under the Syndicated Series 1997-1 Liquidity Agreement on any day that is a business day in Toronto by delivering a notice to the Agent before: (a) for prime loans, 2:00 p.m. (Toronto time) on the day the borrowing is to occur; (b) for BA equivalent loans, 12:00 noon (Toronto time) one business day prior to the day the borrowing is to occur; or (c) for swing line loans, 12:00 noon (Toronto time) on the day the borrowing is to occur. Borrowings under the Syndicated Series 1997-1 Liquidity Agreement are to be used only by the Trust to meet its obligations under maturing Notes.

Upon the occurrence and during the continuance of an event of insolvency with respect to the Trust, the Agent shall declare the credit under the Syndicated Series 1997-1 Liquidity Agreement to be terminated, whereupon no further borrowings may be made thereunder.

If any Liquidity Lender under the Syndicated Series 1997-1 Liquidity Agreement fails to maintain (i)(a) a rating from DBRS of such lender's senior, unsecured short-term indebtedness of at least "R-1 (middle)" or such lender's long or mid-term indebtedness of at least "A (high)"; and (b) a rating from Fitch of such lender's senior, unsecured short-term unsecured indebtedness of at least "F1+"; or (ii) such lower or other ratings DBRS and Fitch may require for the Notes to be rated in the highest rating category, including the highest rating modifier, for short-term Securitized Product by DBRS and Fitch, such lender is required to either assign all of its obligations under the Syndicated Series 1997-1 Liquidity Agreement to another lender or enter into an escrow agreement with an escrow agent and pay the full amount of its *pro rata* share of the then available undrawn credit limit under the Syndicated Series 1997-1 Liquidity Agreement. Such funds held in escrow will be used to make such Liquidity Lender's *pro rata* share of any required advances to the Trust so that the Trust can meet its obligations under maturing Notes.

### **Early Repayment Upon Amortization**

Notwithstanding their stated maturity dates, Notes will be subject to early repayment if one or more amortization events relating to the Series 1997-1 Ownership Interest occur and certain actions are taken (or in some circumstances are not taken) by the Issuer Trustee.

Amortization events trigger a liquidation of the Series 1997-1 Ownership Interest prior to the time that complete or partial liquidation would otherwise occur. Amortization events are of essentially two types. The first type includes events relating to the performance by CTB of certain of its obligations under the Pooling and Servicing Agreement, the accuracy of certain representations or warranties made by CTB, the insolvency of CTB or Canadian Tire, the occurrence of certain events leading to the termination of CTB as Servicer and the occurrence of an Indenture Event of Default or an event of default under the Syndicated Series 1997-1 Liquidity Agreement. The second type of amortization event (each, a "**Financial Event**") includes financial tests relating to the performance of the Selected Asset Pool of Receivables. Financial Events are designed to result in amortization of the Series 1997-1 Ownership Interest if:

- (a) over the most recent 3 month period, the 3 month average net yield from the Selected Asset Pool of Receivables (i.e., credit charge receivables billed plus recoveries of previously written-off amounts minus current written-off amounts) does not exceed the unhedged or unsubordinated costs and expenses of the Trust associated with the Series 1997-1 Ownership Interest by at least 2.0%;
- (b) over the most recent 3 month period, either:

- (i) 3 month average written-off amounts are less than or equal to 10.0% (annualized) and the 3 month average rate of Collections is less than 8.0%, or
- (ii) 3 month average written-off amounts exceed 10.0% (annualized) and the 3 month average rate of Collections is less than 10.0%;
- (c) the Enhancement Amount is reduced to cover what would otherwise be a deficiency in the circumstances described under “The Series 1997-1 Ownership Interest”; or
- (d) the Pool Balance falls below the Required Pool Amount (as described under “The Receivables — Required Pool Amount”) and additional Eligible Accounts are not added by CTB as required.

The Servicer completes a monthly Servicer report which monitors the performance of the Selected Asset Pool relative to these Financial Events. This report is provided to the Administrator, the Issuer Trustee, the Selling Agents, the Agent, Fitch and DBRS.

The Servicer employs complex statistical modeling techniques to assess each customer’s risk potential and utilizes sophisticated technologies to develop, evaluate and implement credit risk strategies. As at the date of this Information Memorandum, the Accounts in the Selected Asset Pool are diversified primarily: a) geographically across Canada; and b) in terms of the number (3,384,521 as at December 31, 2017). The majority of Receivables are generated outside of Canadian Tire associate stores and other Canadian Tire operations.

The Trust’s entitlement to Collections in respect of the Series 1997-1 Ownership Interest during an amortization period will be based upon the proportion that the stated dollar amount of the Series 1997-1 Ownership Interest is of the Pool Balance as of the beginning of the amortization period. On each business day during an amortization period, Collections allocable to the Series 1997-1 Ownership Interest will be available for payment to Series 1997-1 Noteholders, the Liquidity Lenders (if applicable) and other persons in the following order of priority:

- (a) first, in payment or reimbursement of certain fees, costs and expenses then payable by the Trust in respect of the Series 1997-1 Ownership Interest;
- (b) second, in payment of all funding costs then payable, if any, on the Notes and any Liquidity Notes and in payment of any hedging costs then payable by the Trust;
- (c) third, in payment of the principal amount outstanding under the Notes and any Liquidity Notes, until such Notes and Liquidity Notes have been paid in full;
- (d) fourth, in payment of all amounts payable and outstanding under any Series 1997-1 subordinated notes, until paid in full; and
- (e) fifth, in payment or reimbursement of all other fees, costs, expenses and amounts then payable.

## **INVESTMENT CONSIDERATIONS**

There can be no assurance that the performance of the Receivables securing the Notes will remain consistent. Advances under the Syndicated Series 1997-1 Liquidity Agreement, other credit enhancements and other structural features of the Series 1997-1 Ownership Interest reduce, but do not eliminate, the risk of loss from an investment in the Notes. Should substantial defaults or losses occur in the Receivables, such protections and structural features may not be sufficient for the Trust to make all interest and principal payments in respect of the Notes.

In connection with an investment in the Notes, prospective investors should consider, among other things, the following investment considerations: (a) the limited recourse available to Series 1997-1 Noteholders in the event of a default in payment of interest and/or principal; (b) the ability of the Trust to immediately enforce its rights to the Collections may be adversely affected in the event of the liquidation, insolvency, receivership or administration of the Seller or the Servicer; (c) commingling risk with respect to Collections; (d) a material disruption in collecting the Collections may ensue if a servicer termination event occurs and a successor servicer assumes CTB's servicing obligations; (e) an amortization event may result in an acceleration of principal payments on the Notes; (f) the ability of the Seller or the Servicer to repurchase Accounts they are required to repurchase; (g) the Trust's inability to determine whether or to what extent changes in applicable laws or changes in interpretation of laws or other economic or social factors, including incentive programs and internet-based lending and payment platforms, will affect credit card use; (h) the rate at which new Receivables are generated in the Accounts and the applicable yield may be reduced by cardholders' use of competing sources of credit or competing payment methods; (i) the ability of CTB to change terms of the Accounts, which could decrease the effective yield on the Accounts and result in the occurrence of an amortization event; (j) the impact of consumer protection legislation on CTB's ability to generate new Receivables and the impact of violations of consumer protection laws by CTB or the impact of changes by the government to the regulatory framework relating to credit cards or changes to interchange rates resulting from regulatory or other actions; (k) that there can be no assurance that any additional Accounts will be of the same credit quality as the previously existing Accounts; (l) the ability of the Trust and the Series 1997-1 Noteholders to take certain actions, or direct certain actions to be taken; (m) the Receivables may be paid at any time and there is no assurance that there will be new Receivables created in the Accounts; (n) that Receivables will be added to the Accounts or that any particular pattern of cardholder repayments will occur; (o) that there can be no assurance that the sale of Ownership Interests of other Series in the future might not have an impact on the timing or amount of distributions to the Trust; (p) the reliance on historical data with respect to the Receivables; (q) the geographic concentration of the Receivables; (r) changes in credit card use and payment patterns resulting from economic, legal, technological and social factors; (s) a revision or withdrawal of a rating on the Notes may have an adverse effect on the market price of the Notes; and (t) various other matters, many of which are beyond the Trust's control.

## **ALIGNMENT OF INTERESTS**

CTB provides the first level of loss protection through the provision of credit enhancement which in regards to the Series 1997-1 Ownership Interest is in the form of the Enhancement Amount. In addition, CTB is entitled to any residual cash-flows from the Receivables and this entitlement is subordinate to the payment of amounts owing to the Trust. The retention of credit risk by CTB in respect of the performance of the Receivables through the exposure of first loss credit protection and the entitlement to residual cash-flows subordinate to payments owing to the Trust aligns the economic interests of CTB with those of the Trust and

ultimately the Series 1997-1 Noteholders and the Liquidity Lenders, to the extent the Liquidity Lenders are required to advance funds to the Trust under the Syndicated Series 1997-1 Liquidity Agreement. If the Liquidity Lenders advance funds to the Trust under the Syndicated Series 1997-1 Liquidity Agreement, interest and principal payments to the Liquidity Lenders rank *pari passu* to interest and principal payments to the Series 1997-1 Noteholders.

The Trust relies on the Collections to reduce or fully repay its obligations in respect of the Series 1997-1 Ownership Interest, including the repayment of the Notes issued to fund its obligations under the Series 1997-1 Ownership Interest. Increased defaults in the Receivables in excess of the credit enhancement increase the Trust's and the Sponsor's exposure to reputational risk in respect of the repayment of the Notes.

After the occurrence of an Indenture Event of Default, amounts payable to the Administrator are paid after all principal of and interest on the Notes are paid. Accordingly, the economic interests of the Administrator are aligned with those of the Series 1997-1 Noteholders since, after the occurrence of an Indenture Event of Default, the Administrator's right to payment of amounts owing to it are subordinate to the payment of amounts owing to the Series 1997-1 Noteholders.

### **INVESTMENT ELIGIBILITY**

Prospective purchasers of Notes should consult their own advisors in connection with their ability to invest in the Notes, including, without limitation, whether they can invest in the Notes pursuant to their particular investment guidelines, policies and procedures. Prospective purchasers of Notes should also consult their own tax advisors for advice with respect to the tax consequences of acquiring, holding and disposing of the Notes.

### **ADDITIONAL INFORMATION**

The Trust has issued, and will continue to issue, from time to time, credit card receivables asset-backed notes that are medium term notes pursuant to a short form prospectus or short form base shelf prospectus and pricing supplement, or credit card receivables asset-backed notes by way of private placements. Details of such outstanding medium term notes are provided in the Investor's Monthly Performance Summary filed by the Trust on [www.sedar.com](http://www.sedar.com) and [www.canadiantire.ca](http://www.canadiantire.ca) (click on: About Canadian Tire/Corporate Information/Investors/Debt holders/Glacier Credit Card Trust/Term ABS Series). Noteholders of such other series of notes will not have recourse to the Series 1997-1 Ownership Interest with respect to payments on such other series of notes.

The Trust has provided an undertaking to the Indenture Trustee that it will, for so long as any Notes remain outstanding, prepare the following documents within the time periods specified below and provide to or make reasonably available to each Series 1997-1 Noteholder (which may be satisfied by the posting of such documents on Canadian Tire's website on behalf of the Administrator and the Trust):

- (a) a monthly disclosure report relating to the Notes in the prescribed form, current as of the last business day of each month and made reasonably available to each Series 1997-1 Noteholder no later than 50 days from the end of the most recent month to which it relates; and
- (b) a timely disclosure report relating to the Notes, containing the required information, in each of the following circumstances:

- (i) a downgrade in one or more of the credit ratings for the Notes;
- (ii) failure by the Trust to make any required payment of principal or interest on the Notes; and
- (iii) the occurrence of a change or event that the Trust would reasonably expect to have a significant adverse effect on the payment of principal or interest on the Notes.

Prospective purchasers and Series 1997-1 Noteholders may obtain the monthly disclosure reports, any timely disclosure reports in respect of the Notes and this Information Memorandum from the Administrator's website, which, as at the date of this Information Memorandum, is located on [www.canadiantire.ca](http://www.canadiantire.ca) (click on: About Canadian Tire/Corporate Information/Investors/Debt holders/Glacier Credit Card Trust/ABCP Series 1997-1/Glacier Information Memorandum).

## SCHEDULE I

### GLOSSARY

**"Asset Pool"** means a pool of cash-flow generating assets in which a Conduit has a direct or indirect ownership or security interest, including, without limitation, automobile and equipment leases and loans, residential and commercial mortgages, credit card receivables, trade receivables, dealer floorplan loans, consumer loans and franchise loans.

**"Asset Transaction"** means a transaction or series of transactions in which a Conduit acquires and maintains a direct or indirect ownership or security interest in an Asset Pool, which, in the case of the Series 1997-1 Ownership Interest, is funded through the issuance of short-term negotiable promissory notes or commercial paper, including the Notes.

**"Conduit"** means an issuer of Securitized Product:

- (a) created to conduct one or more Asset Transactions; and
- (b) in respect of which it is reasonable for the issuer to expect that, in the event of a bankruptcy or insolvency proceeding under the *Bankruptcy and Insolvency Act* (Canada), the *Companies Creditors' Arrangement Act* (Canada) or a proceeding under similar legislation in Canada, a jurisdiction of Canada or a foreign jurisdiction,
  - (i) none of the assets in an Asset Pool of the issuer in which the issuer has an ownership interest will be consolidated with the assets of a third party that transferred or participated in the transfer of assets to the issuer prior to satisfaction in full of all Securitized Products that are backed in whole or in part by the assets transferred by such third party, or
  - (ii) for the assets in an Asset Pool of the issuer in which the issuer has a security interest, the issuer will realize against the assets in that asset pool in priority to the claims of other persons.

**"Indenture Event of Default"** means the occurrence of one or more of the following events:

- (a) a default by the Trust in making any payment of any amount owing under any note of any series, which, by its terms, is then required to be paid (other than where the Indenture Trustee is satisfied that the non-payment has resulted from inadvertence or error on the part of the Issuer Trustee or the Administrator which is capable of timely rectification without having a material adverse effect on the holders of notes of the series), which default continues unremedied for a period of 5 business days;
- (b) a default by the Trust in the observance or performance of any other covenant or agreement of the Trust made in the Trust Indenture which has a material adverse effect upon the Trust, the Trust's interests in the Receivables and other Trust assets or the Trust's ability to pay any notes or perform any obligations in connection therewith and which continues to be unremedied for a period of 30 days after written notice thereof is given to the Trust by the Indenture Trustee or to the Trust and the Indenture Trustee by the holders of at least 25% of the

principal amount of the notes then outstanding of the affected series (in the case where such covenant or agreement is made expressly for the benefit of one or more particular series of notes) or of all outstanding series of notes (in all other cases);

- (c) any representation or warranty made by the Trust in the Trust Indenture or in any certificate delivered pursuant thereto or in connection therewith having been incorrect as at the time made and which has a material adverse effect upon the Trust, the Trust's interests in the Receivables and other Trust assets or the Trust's ability to pay any notes or perform any obligations in connection therewith and which continues to be incorrect or unremedied for a period of 30 days after written notice thereof is given to the Trust by the Indenture Trustee or to the Trust and the Indenture Trustee by the holders of at least 25% of the principal amount of the notes then outstanding of the affected series (in the case where such representation or warranty is made expressly for the benefit of one or more particular series of notes) or of all outstanding series of notes (in all other cases);
- (d) certain events of bankruptcy, insolvency, receivership or liquidation of (i) the Issuer Trustee (except in connection with any transaction permitted under the Declaration of Trust) or (ii) the Trust (other than which occurs by reason or in consequence or as a result of (A) deficiencies in respect of a Series or (B) cashflows being insufficient to make payments in respect of expenses incurred by the Trust and for which advances are made to the Trust under the related series subordinated loan agreement); and
- (e) certain events of bankruptcy, insolvency, receivership or liquidation of the Issuer Trustee in its personal capacity and such Issuer Trustee is not replaced as Issuer Trustee for the purposes of the Declaration of Trust within 60 days thereafter.

**"Net Asset Value"** means, for any day, the sum of (i) the invested amount of the Series 1997-1 Ownership Interest, (ii) any amounts accumulated or notionally accumulated with respect to payment of the Notes, (iii) the market value of any investment proceeds from funds in relation to the Series 1997-1 Ownership Interest, and (iv) any applicable hedging or credit enhancement proceeds; minus the sum of (i) the aggregate unpaid principal amount of all Notes then outstanding and all accrued interest or accrued note liability with respect thereto, (ii) the amount of all accrued and unpaid funding expenses to be paid in priority to or equally with the Notes, and (iii) the gross proceeds of the Notes to be issued on such day.

**"Partial Commingling Condition"** means on any given business day (for the purposes of this definition, a **"Test Day"**) on which (A) neither Canadian Tire nor any other person who guarantees the obligations of CTB as Servicer maintains a rating from DBRS (if DBRS is then rating its securities) equivalent to at least R-1 (low), (B) (i) neither Canadian Tire nor any other person who guarantees the obligations of CTB as Servicer maintains a rating from S&P (if S&P is then rating its securities) equivalent to at least A-1 (mid) and (ii) the Required Pool Amount on the most recent determination day is greater than 80% of the Pool Balance on such determination day or any subsequent removal date, or (C) (i) neither Canadian Tire nor any other person who guarantees the obligations of CTB as Servicer maintains a rating from Fitch (if Fitch is then rating its securities) equivalent to a long-term unsecured debt rating of A and a short-term unsecured debt rating of F1, or (ii) if Fitch is not then rating the securities of Canadian Tire or any other person who guarantees the obligations of CTB as Servicer, the

rating agency condition has not been satisfied in respect of Fitch or Fitch has indicated that it intends to downgrade any notes of the Trust, a requirement that:

- (a) an asset test with respect to each Test Day be conducted by the Servicer within two business days of such Test Day to ensure that the Pool Balance as of the close of business on such day is at least equal to the Required Pool Amount; and
- (b) on or before the 15th day following each calendar month in which an asset test described in clause (a) above is performed or, if such day is not a business day, the next succeeding business day, and unless there has been a breach of the daily asset test described in clause (a) or an amortization event has occurred during such calendar month, the Servicer shall have delivered to the rating agencies an officers' certificate confirming the completion of the daily asset test and that no breach of the daily asset test and no amortization event has occurred.

**"Securitized Product"** means a security that:

- (a) is governed by a trust indenture or similar agreement setting out the rights and protections applicable to a holder of the security;
- (b) provides a holder with a direct or indirect ownership or security interest in one or more Asset Pools; and
- (c) entitles a holder to one or more payments of principal or interest primarily obtained from one or more of the following:
  - (i) the proceeds from the distribution of Securitized Products,
  - (ii) the cash-flows generated by one or more Asset Pools, and
  - (iii) the proceeds obtained on the liquidation of one or more assets in one or more Asset Pools.

**"Sponsor"** means a person or group of affiliated persons that organizes or initiates the formation of a Conduit.