

*This short form base shelf prospectus has been filed under legislation in each of the provinces and territories of Canada that permits certain information about these securities to be determined after this short form base shelf prospectus has become final and that permits the omission from this short form base shelf prospectus of that information. The legislation requires the delivery to purchasers of a pricing supplement containing the omitted information within a specified period of time after agreeing to purchase any of these securities.*

*This short form base shelf prospectus, together with each document deemed to be incorporated by reference herein, constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. These securities have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "1933 Act"). Subject to certain exceptions, these securities may not be offered, sold or delivered within the United States or for the account or benefit of U.S. persons, as defined in Regulation S of the 1933 Act. See "Plan of Distribution".*

*Information has been incorporated by reference in this short form base shelf prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from Canadian Imperial Bank of Commerce, as financial services agent of CARDS II Trust at Brookfield Place, 161 Bay Street, 9<sup>th</sup> Floor, Toronto, Ontario, M5J 2S8 (telephone 416-594-8724) and are also available electronically under CARDS II Trust's profile on [www.sedar.com](http://www.sedar.com).*

## SHORT FORM BASE SHELF PROSPECTUS

New Issue

January 18, 2019

### CARDS II TRUST®

### Up to \$11,000,000,000 Credit Card Receivables Backed Notes

CARDS II Trust® (the "Issuer" or the "Trust") may, from time to time, during the 25 months that this short form base shelf prospectus (including any amendments hereto) remains valid, offer and issue credit card receivables backed notes (the "Notes") in an aggregate principal amount not to exceed \$11,000,000,000. The Notes will be issued in series, each of which will evidence debt obligations of the Issuer and will be secured by, and recourse under which will be limited to (except in certain limited circumstances) the assets acquired by the Issuer using the proceeds from the issuance thereof and the proceeds of such assets. In each case, the assets so acquired will consist of an undivided co-ownership interest in a revolving pool of credit card receivables generated under designated credit card accounts by Canadian Imperial Bank of Commerce ("CIBC") and certain related assets.

It will be a condition of the issuance of any Notes that they shall have received a Designated Rating from at least two Designated Rating Organizations.

The offering of Notes hereunder will be made pursuant to the medium term note program of the Trust (the "MTN Program") as contemplated by National Instrument 44-102 — *Shelf Distributions* of the Canadian Securities Administrators (the "National Instrument"). The National Instrument permits the omission from this short form base shelf prospectus of certain terms of the Notes, which will be established at the time of the offering and the sale of the Notes and will be included in pricing supplements incorporated by reference herein, as more particularly described under the heading "Documents Incorporated by Reference". Accordingly, the specific terms of Notes to be offered and sold hereunder pursuant to the MTN Program will be set out in pricing supplements delivered to purchasers in connection with the sale of such Notes. The Notes will be denominated in, and the principal of, and interest (if any) on, the Notes will be payable in Canadian dollars or such other currency set out in the applicable pricing supplement. The interest rate (if any) applicable to the Notes may be fixed or variable or calculated in some other manner as set out in the applicable pricing supplement. The specific designation, aggregate principal amount, interest payment dates, authorized denominations, maturity, offering price, or other specific terms of a particular issue of Notes will also be set forth in the applicable pricing supplement.

### RATES ON APPLICATION

**CIBC, as Note Issuance and Payment Agent and Financial Services Agent of the Issuer, will be performing certain financial services for and on behalf of the Issuer, pursuant to the Trust Indenture and the Financial Services Agreement. CIBC World Markets Inc. ("CIBC Capital Markets") is a wholly owned subsidiary of CIBC. As a result of all such factors, the Issuer may be considered a "connected issuer" of CIBC Capital Markets within the meaning of applicable securities legislation. See "Plan of Distribution".**

*(continued on next page)*

*(continued from cover)*

The Issuer's head and registered office is located at 100 University Avenue, 11<sup>th</sup> Floor, Toronto, Ontario M5J 2Y1.

The Notes will be offered severally by one or more of CIBC Capital Markets and such other dealers as may be appointed from time to time by the Issuer (collectively, the “**Dealers**”), as agents of the Issuer or as principals, subject to confirmation by the Issuer pursuant to the dealer agreement referred to under the heading “**Plan of Distribution**”. The rate of commission payable in connection with sales of the Notes by the Dealers will be as determined from time to time by mutual agreement. The Notes may be purchased from time to time by any of the Dealers, as principal, at such prices as may be agreed to between the Issuer and such Dealer, for resale to the public at prices to be negotiated with purchasers. Such resale prices may vary during the period of distribution and from purchaser to purchaser. Commissions may be paid in connection with such purchases and the Dealer's compensation will be increased or decreased by the amount by which the aggregate price paid for the Notes by purchasers exceeds or is less than the aggregate price paid by such Dealer to the Issuer. The Issuer may also offer the Notes directly to the public from time to time pursuant to any applicable statutory registration exemptions at such prices and upon such terms as may be agreed upon by the Issuer and the purchaser. The commission payable, if any, will be set forth in the applicable pricing supplement. The Issuer and, if applicable, the Dealers reserve the right to reject any offer to purchase Notes in whole or in part. The Issuer also reserves the right to withdraw, cancel or modify an offering of Notes under this short form base shelf prospectus without notice. The offering of Notes is subject to approval of legal matters on behalf of the Trust and CIBC by McCarthy Tétrault LLP and on behalf of the Dealers by Osler, Hoskin & Harcourt LLP.

**The Notes are being offered on a continuous basis by the Issuer through the Dealers. The Notes will not be listed on any securities exchange. There is no market through which the Notes may be sold and purchasers may not be able to resell Notes purchased under this short form base shelf prospectus. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities and the extent of issuer regulation. Each Dealer expects, but is not obligated, to make a market in the Notes in respect of which it is a Dealer. If such a market develops, there is no assurance that it will continue. See “Investment Considerations — It May Not be Possible to Find a Purchaser for Notes”.**

There are risks pertaining to an investment in the Notes. See “**Investment Considerations**”.

CIBC's permitted use of the Visa trademark in this short form base shelf prospectus does not constitute and should not be taken as a Visa International or Visa Canada warranty, guarantee or other endorsement of any kind, of the securities offered by the Trust in association with Visa related receivables.

CIBC's permitted use of the Mastercard trademark in this short form base shelf prospectus does not constitute and should not be taken as a Mastercard International warranty, guarantee or other endorsement of any kind, of the securities offered by the Trust in association with Mastercard related receivables.

**THE NOTES WILL NOT REPRESENT INTERESTS IN, OR OBLIGATIONS OF, OR BE GUARANTEED BY, THE SELLER, THE SERVICER, THE ISSUER TRUSTEE (OTHER THAN IN ITS CAPACITY AS SUCH), THE FINANCIAL SERVICES AGENT, THE NOTE ISSUANCE AND PAYMENT AGENT, THE INDENTURE TRUSTEE, THE DEALERS, THE BENEFICIARIES OF THE ISSUER OR ANY OF THEIR RESPECTIVE AFFILIATES OR ANY OF THEIR RESPECTIVE SHAREHOLDERS, AGENTS, OFFICERS, DIRECTORS, EMPLOYEES, SUCCESSORS OR ASSIGNS. NONE OF THESE PERSONS, INCLUDING, WITHOUT LIMITATION THE ISSUER, HAS REPRESENTED OR UNDERTAKEN THAT THE RECEIVABLES WILL REALIZE THEIR FACE VALUE OR ANY PART THEREOF AND, ACCORDINGLY, NONE OF THE ISSUER, THE NOTEHOLDERS OR ANY OTHER CREDITORS OF THE ISSUER WILL HAVE ANY CLAIM AGAINST ANY OF THESE PERSONS FOR ANY DEFICIENCY ARISING IN THE REALIZATION OF THE RECEIVABLES. THE NOTES ARE NOT “DEPOSITS” WITHIN THE MEANING OF THE CANADA DEPOSIT INSURANCE CORPORATION ACT (CANADA) AND NONE OF THE OWNERSHIP INTERESTS, THE NOTES OR THE RECEIVABLES IS INSURED OR GUARANTEED BY THE CANADA DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENTAL AGENCY OR INSTRUMENTALITY.**

®CARDS II Trust is a registered trademark of Canadian Imperial Bank of Commerce.

## TABLE OF CONTENTS

DOCUMENTS INCORPORATED BY REFERENCE .....	1	Clean-up Repurchase Option .....	20
EXEMPTION FROM CERTAIN PROVISION OF FORM 44-101F1 .....	2	The Retained Interest .....	21
ELIGIBILITY FOR INVESTMENT .....	2	CREDIT CARD PORTFOLIO .....	21
TRANSACTION STRUCTURE OVERVIEW .....	4	COLLECTIONS .....	21
The Issuer .....	4	Collection Account .....	21
Ownership Interests .....	4	Allocation of Collections .....	22
Credit Card Portfolio .....	5	Reinvestment of Excess Collections .....	22
Pool of Receivables .....	5	Excess Collections .....	22
CIBC Credit Card Accounts .....	5	Entitlement to Collections .....	22
Small Business Credit Card Accounts .....	5	REMITTANCES .....	23
Non-Small Business Credit Card Accounts .....	6	General .....	23
Collections and Distributions under the Pooling and Servicing Agreement .....	6	Required Remittance Amount .....	23
Transaction Structure .....	7	Remittances to the Trust .....	24
CARDS II TRUST® .....	8	Revolving Period .....	24
Issuer Trustee .....	8	Accumulation Period .....	25
Financial Services Agent .....	8	Amortization Period .....	26
THE SELLER .....	8	CREDIT ENHANCEMENT .....	28
CREDIT CARD BUSINESS OF CANADIAN IMPERIAL BANK OF COMMERCE .....	10	General .....	28
General .....	10	Cash Reserve Accounts .....	28
Credit Granting Procedures .....	11	Pre-Accumulation Reserve Period .....	29
Client Account Management Procedures .....	11	APPLICATION OF PROCEEDS .....	29
Interchange .....	11	SERVICING .....	30
Billing and Payments .....	12	Servicing of the Receivables .....	30
THE CUSTODIAN .....	13	Reporting .....	30
THE ACCOUNT ASSETS .....	14	Servicing Compensation and Payment of Expenses .....	30
General .....	14	Servicer Termination Events .....	31
Deposit of Account Assets with the Custodian ..	14	Servicer Termination .....	32
Account Selection Criteria .....	14	AMENDMENTS TO THE POOLING AND SERVICING AGREEMENT .....	32
The Account Assets .....	15	THE TRUST INDENTURE .....	33
The Receivables .....	15	General .....	33
Addition of Accounts .....	15	Indenture Trustee .....	33
Designation of Portfolios .....	16	Security and Limited Recourse .....	34
Removal of Accounts .....	16	Certain Covenants .....	34
Mandatory Purchase .....	17	Related Events of Possession .....	34
Indemnification .....	18	Waiver of Related Events of Possession .....	35
Restrictions on Amendments to the Terms and Conditions of the Accounts .....	18	Payments and Ranking Upon Related Event of Possession .....	35
Discount Option .....	19	Amendments to the Trust Indenture .....	35
OWNERSHIP INTERESTS .....	19	Noteholder Meetings .....	36
Purchase of Ownership Interests .....	19	Powers Exercisable by Extraordinary Resolution .....	37
The Invested Amount .....	20	Powers Exercisable by Extraordinary Resolution by Holders of Series of Notes ..	38

DETAILS OF THE OFFERINGS .....	38	Potential Rating Agency Conflict of Interest and Regulatory Scrutiny .....	54
Interest.....	38	Subordinated Notes .....	54
Repayment of Principal on the Senior Notes .....	39	Recharacterization of Principal Receivables Would Reduce Principal Receivables and May Require the Addition of Additional Accounts.....	54
Repayment of Principal on the Subordinated Notes.....	39	International Information Reporting .....	55
PLAN OF DISTRIBUTION .....	39	Technology, Information and Cyber Security Risk Exposure.....	55
BOOK ENTRY REGISTRATION.....	41	The Notes Are Not Suitable Investments For All Investors .....	55
USE OF PROCEEDS .....	42	MATERIAL CONTRACTS .....	56
LEGAL PROCEEDINGS .....	42	CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS .....	56
INVESTMENT CONSIDERATIONS .....	42	Residents of Canada.....	57
It May Not be Possible to Find a Purchaser for Notes.....	42	Interest on the Notes .....	57
Recessionary Economic Conditions and Loss and Delinquency Experience .....	42	Disposition of Notes.....	57
Limited Recourse .....	42	Additional Refundable Tax .....	58
Certain Legal Matters.....	43	Non-Residents of Canada.....	58
Subordination of Payments on the Notes to Certain Additional Funding Expenses and Other Costs .....	44	SELLER'S REPRESENTATION AND INDEMNITY COVENANT .....	59
Reliance on Certain Persons.....	44	INDEPENDENT AUDITORS.....	59
Social, Legal, Economic and Other Factors .....	45	LEGAL MATTERS.....	59
Geographic Concentration.....	46	INTERESTS OF EXPERTS .....	59
Competition in the Credit Card Industry .....	47	LEGAL PROCEEDINGS.....	59
The Ability of the Seller to Change Terms of the Accounts .....	47	PROMOTER.....	60
Additional Accounts.....	47	UNDERTAKING .....	60
Repurchase Obligation .....	48	PURCHASERS' STATUTORY RIGHTS OF ACTION.....	60
Consumer Protection Laws and Legislative Developments .....	48	GLOSSARY OF DEFINED CAPITALIZED TERMS .....	62
Co-Owner Action .....	49	CERTIFICATE OF THE ISSUER AND PROMOTER.....	82
Additional Ownership Interests.....	49	CERTIFICATE OF THE DEALERS .....	83
Repayment on Targeted Principal Distribution Date .....	50		
Changes or Uncertainty in Respect of CDOR May Adversely Affect the Value of Notes 50			
Ratings .....	50		

## DOCUMENTS INCORPORATED BY REFERENCE

Copies of the documents incorporated herein by reference may be obtained on request without charge from Canadian Imperial Bank of Commerce, as financial services agent of CARDS II Trust (the “**Financial Services Agent**”) at Brookfield Place, 161 Bay Street, 9<sup>th</sup> Floor, Toronto, Ontario, M5J 2S8 (telephone 416-594-8724) and are also available electronically under the Issuer’s profile on [www.sedar.com](http://www.sedar.com).

The following documents filed with the securities commissions or similar authorities in each of the provinces and territories of Canada are specifically incorporated by reference into this short form base shelf prospectus:

- (a) the Issuer’s comparative audited financial statements as at May 31, 2018 and for the year ended May 31, 2018, together with the report of the auditors thereon and management’s discussion and analysis of financial condition and results of operations for the year ended May 31, 2018;
- (b) the Issuer’s comparative unaudited interim financial statements for the three months ended August 31, 2018, including management’s discussion and analysis of financial condition and results of operations for the three months ended August 31, 2018;
- (c) the Issuer’s annual information form dated September 28, 2018; and
- (d) portfolio information as at November 30, 2018 pertaining to the Account Assets related to the Accounts in the Designated Portfolios in which the Issuer maintains undivided co-ownership interests through ownership of Ownership Interests filed on January 10, 2019.

Any documents of the type referred to above (excluding confidential material change reports) and any other disclosure document filed pursuant to an undertaking to a provincial or territorial securities regulatory authority filed by the Issuer with the securities regulatory authorities in each of the provinces and territories of Canada subsequent to the date of this short form base shelf prospectus and prior to the termination of the offering shall be deemed to be incorporated by reference into this short form base shelf prospectus. All shelf information omitted from this short form base shelf prospectus will be contained in one or more pricing supplements that will be delivered to purchasers together with this short form base shelf prospectus. A pricing supplement containing the specific terms in respect of an offering of Notes will be delivered to purchasers of such Notes together with this short form base shelf prospectus and will be deemed to be incorporated by reference into this short form base shelf prospectus for purposes of securities legislation as of the date of such pricing supplement, but only for purposes of the offering of such Notes (unless otherwise expressly provided therein). Upon a new annual information form and the related annual financial statements being filed by the Issuer with, and where required, accepted by, the applicable securities regulatory authorities during the currency of this short form base shelf prospectus, the previous annual information form, the previous annual financial statements and all interim financial reports, material change reports and information circulars filed prior to the commencement of the Issuer’s financial year in which the new annual information form was filed shall be deemed no longer to be incorporated into this short form base shelf prospectus for purposes of future offers and sales of Notes hereunder.

Any “template version” of any “marketing materials” (as such terms are defined in National Instrument 41-101 — *General Prospectus Requirements* of the Canadian Securities Administrators) that are utilized by the Dealers in connection with a distribution of Notes will be filed under the Issuer’s profile on [www.sedar.com](http://www.sedar.com). In the event that such marketing materials are filed after the date of the applicable pricing supplement pertaining to the distribution of Notes to which such marketing materials relate but prior to the termination of such distribution, such filed versions of the marketing materials will be deemed to be incorporated by reference into the applicable pricing supplement for the purposes of the distribution of the Notes to which the pricing supplement pertains.

The Financial Services Agent will post under the Issuer’s profile on [www.sedar.com](http://www.sedar.com) on a quarterly basis certain information pertaining to the Account Assets in the Designated Portfolios in which the Issuer maintains undivided co-ownership interests through ownership of Ownership Interests. Any such information will be incorporated by reference into this short form base shelf prospectus for purposes of securities legislation as at the date of such posting. Upon new quarterly portfolio information being posted by the Financial Services Agent the previously

posted quarterly portfolio information shall be deemed no longer incorporated into this short form base shelf prospectus for purposes of future offers and sales of Notes hereunder.

Except as referenced above, no other document or information is incorporated by reference in or forms part of this short form base shelf prospectus.

**Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this short form base shelf prospectus to the extent that a statement contained herein or in any other subsequently filed document that also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this short form base shelf prospectus.**

### **EXEMPTION FROM CERTAIN PROVISION OF FORM 44-101F1**

Pursuant to an application made to the Ontario Securities Commission, as principal regulator, the Issuer has applied for an exemption as contemplated by Part 8 of National Instrument 44-101 – *Short Form Prospectus Distributions* and Part 11 of National Instrument 44-102 – *Shelf Distributions* from the requirement in Section 7.3(3) of Form 44-101F1 – *Short Form Prospectus* that a short form prospectus provide financial disclosure that describes the underlying pool of assets (“**Pool Data**”) for the period from the date as at which the Pool Data was presented in the issuer’s current annual information form to a date not more than 90 days before the date of the issuance of a receipt for the preliminary short form prospectus.

The exemption requested will be evidenced by the issuance of a receipt for this short form base shelf prospectus.

In the application, the Issuer made the following submissions:

- For purposes of a short form base shelf prospectus, the appropriate period by which Pool Data should be provided is the period from the date as at which the Pool Data was presented in the issuer’s current annual information form to a date not more than 90 days before the date of the issuer’s most recent shelf prospectus supplement (the “**Requested Pool Data Timing**”).
- The Requested Pool Data Timing is consistent with the intent and operation of the shelf procedures since a distribution of securities does not occur under National Instrument 44-102 – *Shelf Distributions* until a shelf prospectus supplement relating to such securities is provided to investors.
- Consistent with its obligation to ensure that its short form base shelf prospectus, as supplemented by a shelf prospectus supplement relating to an offering of securities, constitutes full, true and plain disclosure of all material facts relating to such securities, the Issuer will ensure that the Pool Data disclosed in such offering will be current to a date not more than 90 days before the date of the shelf prospectus supplement relating to such offering.

### **ELIGIBILITY FOR INVESTMENT**

In the opinion of McCarthy Tétrault LLP and Osler, Hoskin & Harcourt LLP, the Notes, if acquired on the date hereof and if they (i) have an investment grade rating with a prescribed credit rating agency (including DBRS Limited, Fitch, Inc., Moody’s Investors Service, Inc. and Standard & Poor’s Financial Services LLC) and (ii) are issued as part of a single issue of debt of at least \$25,000,000, will, unless otherwise specified in a pricing supplement, be qualified investments under the *Income Tax Act* (Canada) (the “**Tax Act**”) for trusts governed by registered retirement savings plans (“**RRSPs**”), registered retirement income funds (“**RRIFs**”), registered education savings plans (“**RESPs**”), deferred profit sharing plans, registered disability savings plans (“**RDSPs**”) and tax-free savings accounts

("TFSAs"), each as defined in the Tax Act. The Notes will not be a prohibited investment under the Tax Act for a trust governed by an RRSP, RRIF, RESP, RDSP or TFSA on the date hereof provided that, for purposes of the Tax Act, the annuitant of the RRSP or RRIF, the subscriber of the RESP or the holder of the RDSP or TFSA, as the case may be, deals at arm's length with the Trust and does not have a "significant interest" (as defined in the Tax Act for the purposes of the prohibited investment rules) in the Trust.

## TRANSACTION STRUCTURE OVERVIEW

Reference is made to the Glossary of Defined Capitalized Terms for detailed definitions of defined terms used in this short form base shelf prospectus.

The following is a brief overview of the transaction structure and is qualified by and should be read together with the more detailed information contained in this short form base shelf prospectus.

### The Issuer

The Issuer was established pursuant to a declaration of trust dated as of August 30, 2004 (as amended by an amended and restated declaration of trust dated as of September 16, 2004, the “**Amended and Restated Declaration of Trust**”), for the purpose of purchasing interests in credit card receivables and related assets generated by the Seller. Pursuant to a first supplemental to the Amended and Restated Declaration of Trust made as of January 22, 2008 (together with the Amended and Restated Declaration of Trust, a second supplemental to the Amended and Restated Declaration of Trust made as of April 15, 2010 and a third supplemental to the Amended and Restated Declaration of Trust made as of January 23, 2015, and as the Amended and Restated Declaration of Trust may be further amended, restated, supplemented or modified from time to time, the “**Declaration of Trust**”), the Issuer Trustee was appointed successor issuer trustee of the Trust. The activities of the Issuer are the purchase, acquisition and administration of assets that the Trust purchases or otherwise acquires from time to time for the purpose of producing income therefrom, together with all such activities as may be reasonably incidental or necessary in connection with the performance by the Issuer of its obligations under the Programme Agreements. The purchase or acquisition is funded through the issuance of Notes from time to time pursuant to the terms of a trust indenture dated as of September 16, 2004 among the Issuer, the Indenture Trustee and the Note Issuance and Payment Agent (as amended by a first general supplemental indenture dated as of February 8, 2008, a second general supplemental indenture dated as of April 15, 2010, a third general supplemental indenture made as of January 10, 2011, a fourth general supplemental indenture made as of May 24, 2011 and a fifth general supplemental indenture made as of January 23, 2015, and as such trust indenture may be further amended, restated, supplemented or modified from time to time, collectively, the “**Trust Indenture**”), all in accordance with and subject to the terms and conditions of the Programme Agreements.

The Issuer Trustee has delegated its responsibility for the day-to-day administration of the Issuer to CIBC in its capacity as Financial Services Agent.

### Ownership Interests

The Issuer will use the proceeds from any particular issuance of Notes to acquire an Ownership Interest in the Account Assets. The Notes will evidence debt obligations of the Issuer secured by, and with recourse limited to (except in certain limited circumstances), the Ownership Interest financed thereby and the proceeds thereof. Payments on the Notes will be funded by the Issuer in accordance with the terms specified in the related Series Purchase Agreement. The ability of the Issuer to make payments on the Notes is expected to depend primarily on the performance of the Account Assets. See “**Ownership Interests — Purchase of Ownership Interests**” and “**Remittances**”.

The Seller will from time to time sell Ownership Interests to Co-Owners, including the Issuer. An “**Ownership Interest**” consists of an undivided co-ownership interest in and to the Account Assets (which include, among other things, the Receivables), an interest in any Credit Enhancement relating to the purchased Ownership Interest and an interest in funds on deposit in certain accounts relating to the purchased Ownership Interest.

The residual undivided ownership interest in the Account Assets which is not sold by the Seller is referred to in this short form base shelf prospectus as the “**Retained Interest**”. The Retained Interest is not an Ownership Interest and may not be transferred by the Seller except in connection with a reorganization or otherwise if the Rating Agency Condition has been satisfied.



## Credit Card Portfolio

Each quarter the Financial Services Agent will post under the Trust's profile on www.sedar.com certain information pertaining to the Account Assets related to the Accounts in the Designated Portfolios in which the Trust maintains undivided co-ownership interests through ownership of Ownership Interests. See "**Credit Card Portfolio**".

## Pool of Receivables

The relationship among the Co-Owners and the Seller is governed, in part, by the second amended and restated pooling and servicing agreement made as of May 28, 2012 between the Seller and the Custodian (as amended by a first amendment to pooling and servicing agreement dated as of January 23, 2015, a second amendment to pooling and servicing agreement dated as of October 13, 2016 and a third amendment to pooling and servicing agreement dated as of November 29, 2018, and as such second amended and restated pooling and servicing agreement may be further amended, restated, supplemented or modified from time to time, the "**Pooling and Servicing Agreement**"), pursuant to which the Custodian has agreed to hold the Account Assets as agent and bailee for the benefit of the Seller and each of the Co-Owners to whom the Seller sells an Ownership Interest. The Pooling and Servicing Agreement also sets out the responsibilities of the entity (the "**Servicer**") which services the Accounts and the related Account Assets. CIBC was appointed as the Servicer pursuant to the Pooling and Servicing Agreement.

Subject to certain limitations and restrictions, the Seller may add or remove Accounts as described in this short form base shelf prospectus under "**The Account Assets — Addition of Accounts**" and "**The Account Assets — Removal of Accounts**".

## CIBC Credit Card Accounts

The Seller owns a portfolio of Visa credit card accounts (the "**Visa accounts**") and a portfolio of Mastercard credit card accounts (the "**Mastercard accounts**"). Currently, the Designated Portfolios only include Visa accounts and do not include Mastercard accounts. However, Mastercard portfolios may be designated in the future in the sole discretion of the Seller in accordance with the Programme Agreements and following such designation will be included in the Designated Portfolios. In this short form base shelf prospectus, the primary cardholders on the Accounts and Persons, such as guarantors, who are liable for amounts due under the Accounts are referred to as "**Obligors**".

When an Obligor makes a purchase of goods or services or receives a cash advance using a Visa credit card issued by the Seller, or a Mastercard credit card issued by the Seller if Mastercard accounts are included in the Accounts, the Obligor is obligated to pay the Seller the full cost of the goods or services purchased or the amount advanced, which in turn creates a Receivable.

## Small Business Credit Card Accounts

For small business Obligors resident in Québec in any of the CIBC bizline Visa Designated Portfolio, the CIBC Aeroplan Reward Visa Designated Portfolio and the CIBC Aventura Visa Designated Portfolio, no interest will be payable on Receivables if such Obligors pay the entire amount of Receivables (other than amounts attributable to cash advances, balance transfers and convenience cheques) within the permitted grace period. Such Obligors will not be charged interest on new purchases appearing on their monthly statement if CIBC receives payment for the full balance shown on that monthly statement by the payment due date. If the full balance is not paid by the payment due date, then interest charges on new purchases will appear on the next monthly statement and interest will be charged retroactively on each new purchase from the transaction date until CIBC receives a payment which covers the new purchase. Interest is calculated by multiplying the total interest-bearing portions of the balance at the end of each day by the daily interest rate applicable to each portion. The daily interest rate is the annual interest rate divided by the number of days in the year. Interest is calculated daily and added to the balance monthly. The total interest-bearing portions of the balance at the end of each day do not include capitalized interest.

For small business Obligors not resident in Québec in any of the CIBC bizline Visa Designated Portfolio, the CIBC Aeroplan Reward Visa Designated Portfolio and the CIBC Aventura Visa Designated Portfolio, no interest will be payable on Receivables provided that such Obligors have paid the entire amount of Receivables from the immediately preceding month by the end of the permitted grace period. Such Obligors will not be charged interest on

new purchases appearing on a monthly statement if CIBC receives payment for the full balance shown on that monthly statement and the full balance on the previous monthly statement by the payment due date. If the full balance is not paid by the payment due date, then interest charges on these new purchases will appear on the monthly statement and interest will be charged retroactively on each new purchase from the transaction date until CIBC receives a payment which covers the new purchase. Interest is calculated by multiplying the total interest-bearing portions of the balance at the end of each day by the daily interest rate applicable to each portion. The daily interest rate is the annual interest rate divided by the number of days in the year. Interest is calculated daily and added to the balance monthly. The total interest-bearing portions of the balance at the end of each day do not include capitalized interest.

### **Non-Small Business Credit Card Accounts**

If Obligors in any of the Designated Portfolios (other than small business Obligors in any of the CIBC bizline Visa Designated Portfolio, the CIBC Aeroplan Reward Visa Designated Portfolio and the CIBC Aventura Visa Designated Portfolio) pay the entire amount of Receivables (other than amounts attributable to cash advances) arising in a month within the permitted grace period, no interest will be payable on such Receivables by such Obligors. Such Obligors will not be charged interest on new purchases appearing on their monthly statement if CIBC receives payment for the full balance shown on that monthly statement by the payment due date. If CIBC does not receive payment for the full balance, then interest charges on these new purchases will appear on the next monthly statement and interest will be charged retroactively on each new purchase from the transaction date until CIBC receives a payment which covers the new purchase. Interest is calculated by multiplying the total interest-bearing portions of the balance at the end of each day by the daily interest rate applicable to each portion. The daily interest rate is the annual interest rate divided by the number of days in the year. Interest is calculated daily and added to the balance monthly. The total interest-bearing portions of the balance at the end of each day do not include capitalized interest.

Interest payable in respect of Receivables is included in what is referred to in this short form base shelf prospectus as “**Finance Charge Receivables**”. In addition, Obligors may be required to pay other fees and charges, including a fee to obtain or retain their credit cards. These fees and charges are also included in Finance Charge Receivables.

### **Collections and Distributions under the Pooling and Servicing Agreement**

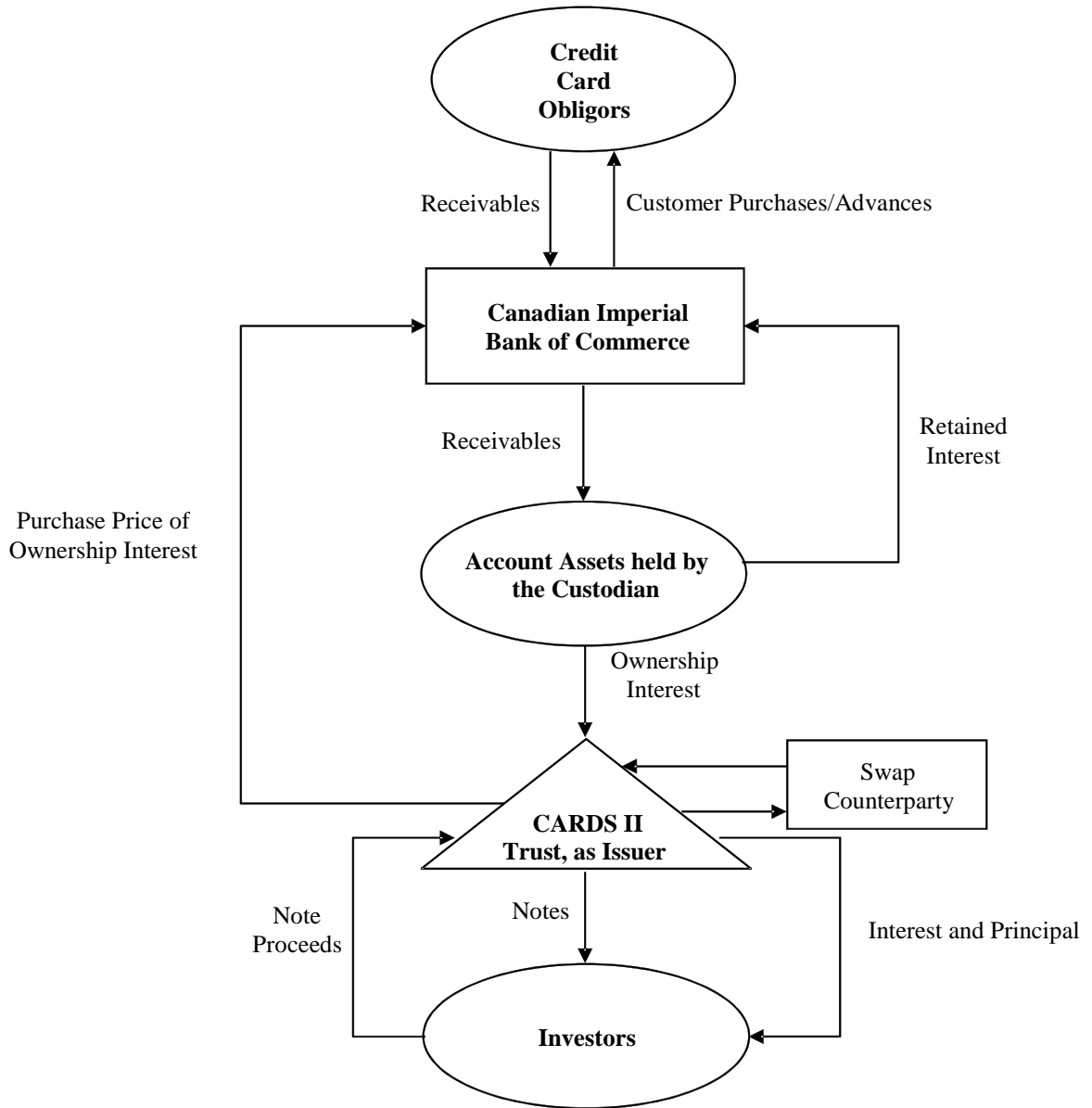
Pursuant to the Pooling and Servicing Agreement, the Seller, as Servicer, is required, among other things, to service and administer the Account Assets, collect all payments in respect of the Account Assets and make all required remittances, deposits, withdrawals and transfers with respect to the Accounts and the related Receivables. In certain circumstances, the Co-Owners may replace the Seller as Servicer. See “**Servicing — Servicer Termination**”.

Except in certain circumstances set out under “**Collections — Collection Account**”, the Servicer will not be required to deposit Collections to the Collection Account until the day when such funds are required to be distributed to the Co-Owners.

During the Revolving Period for each Series, the related Co-Owner will receive only sufficient distributions to satisfy its interest payment obligations and certain of its expenses and other obligations specified in the related Series Purchase Agreement. The purpose of any Accumulation Period which may be applicable to a particular Series is to accumulate enough funds to ensure payment in full of the related Notes on the Targeted Principal Distribution Date for such Series. If an Amortization Period commences in respect of a particular Series, all amounts allocable to the Series will be paid to the Co-Owner until the related Notes have been paid in full. See “**Remittances**”.

**Transaction Structure**

The following diagram illustrates the transaction structure.



If any of the Notes are denominated in a currency other than Canadian dollars, the Trust may enter into a currency swap in order to hedge the currency risk. The Trust may also enter into an interest rate swap in order to hedge any interest rate risk.

## CARDS II TRUST®

### Issuer Trustee

The Trust was established pursuant to the Declaration of Trust and is governed by the laws of the Province of Ontario. The Issuer Trustee is licensed to carry on business as a trustee in all provinces and territories of Canada. The Issuer Trustee's corporate trust office is located at 100 University Avenue, 11<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1.

The Issuer Trustee may at any time change the head office and location of the administration of the Issuer to another location within Canada or have such other offices or places of administration within Canada as the Issuer Trustee may from time to time determine are necessary or advisable.

The Issuer Trustee may resign after giving 60 days' notice in writing (or such shorter period as the Indenture Trustee and the Financial Services Agent may accept as sufficient and satisfies the Rating Agency Condition) to the Indenture Trustee, the Financial Services Agent and the Rating Agencies, but no such voluntary resignation will be effective until a replacement Issuer Trustee acceptable to the Indenture Trustee and the Financial Services Agent has been appointed and has executed a written agreement agreeing to assume the obligations of the Issuer Trustee pursuant to the Declaration of Trust and all other contracts binding on the Issuer Trustee. The Issuer Trustee will also be required to resign if a material conflict of interest in its role as trustee pursuant to the Declaration of Trust arises and persists for a period of 90 days after the Issuer Trustee becomes aware of such conflict. If the Issuer Trustee does not resign after becoming aware of such a material conflict, any interested party may apply to court for an order that the Issuer Trustee be replaced. In the event that the Issuer Trustee resigns, is removed, is dissolved, becomes bankrupt, goes into liquidation or otherwise becomes incapable of acting under the Declaration of Trust, the Financial Services Agent shall remain in office and may forthwith appoint a replacement Issuer Trustee, failing which the retiring Issuer Trustee or certain creditors of the Issuer (including Noteholders) may apply to the applicable court of the Province of Ontario for the appointment of a replacement Issuer Trustee.

### Financial Services Agent

Pursuant to an agreement made as of September 16, 2004 between The Canada Trust Company and CIBC and assumed by the Issuer Trustee as of January 22, 2008 (as amended and restated by an amended and restated financial services agreement made as of February 8, 2008, and as such amended and restated financial services agreement may be further amended, restated, supplemented or modified from time to time, the "**Financial Services Agreement**"), the Financial Services Agent has agreed to manage and administer, on behalf of the Issuer Trustee, the purchase, acquisition, creation and administration of assets purchased by the Trust. See "**Material Contracts**". The offices of the Financial Services Agent are located at Brookfield Place, 161 Bay Street, 9<sup>th</sup> Floor, Toronto, Ontario, M5J 2S8.

The Financial Services Agreement may be terminated by either party by delivery of written notice to the other party at least 20 Business Days prior to the last Business Day of a month, which will result in the Financial Services Agreement terminating on the last Business Day of the month following the month in which the notice was received. However, the Financial Services Agent may not resign until a replacement Financial Services Agent has been appointed and has entered into a financial services agreement and has agreed to assume the obligations of the Financial Services Agent to be replaced.

## THE SELLER

CIBC is a diversified financial institution governed by the *Bank Act* (Canada). CIBC's registered and head office is located in Commerce Court, Toronto, Ontario, M5L 1A2. CIBC was formed in 1961 through the amalgamation of The Canadian Bank of Commerce (originally incorporated in 1858) and Imperial Bank of Canada (originally incorporated in 1875).

CIBC serves its clients through four strategic business units: Canadian Personal and Small Business Banking, Canadian Commercial Banking and Wealth Management, U.S. Commercial Banking and Wealth Management, and Capital Markets. Canadian Personal and Small Business Banking provides personal and small business clients across Canada with financial advice, products and services through a team of advisors in CIBC's banking centers as well as through CIBC's direct, mobile and remote channels. Canadian Commercial Banking and Wealth Management provides

high-touch, relationship-oriented commercial and private banking, as well as wealth management services to meet the needs of middle-market companies, entrepreneurs, high-net-worth individuals and families, along with institutional clients across Canada. U.S. Commercial Banking and Wealth Management provides high-touch, relationship-oriented commercial, personal and small business banking, as well as wealth management services to meet the needs of middle-market companies, executives, entrepreneurs and high-net worth individuals and families in the U.S. Capital Markets provides integrated global markets products and services, investment banking advisory and execution, corporate banking and research to corporate, government and institutional clients around the world.

CIBC had total assets as at October 31, 2018 of approximately \$597.1 billion.

## CREDIT CARD BUSINESS OF CANADIAN IMPERIAL BANK OF COMMERCE

### General

The Account Assets in which the Seller will transfer undivided co-ownership interests to the Trust will be generated from transactions made by Obligor under Accounts within the Designated Portfolios. CIBC will, as Servicer, service these Accounts at its facilities in Toronto and Montreal.

The following discussion describes certain terms and characteristics of the consumer, small business, corporate and other Visa accounts comprising the current Designated Portfolios and the Mastercard accounts that may comprise future Designated Portfolios after the date hereof. As of the date hereof, (i) all of the Accounts are Visa accounts, (ii) the Account Assets do not represent all of the consumer, small business, corporate and other Visa accounts of CIBC comprising the Designated Portfolios, and (iii) the Designated Portfolios are a substantial portion of CIBC's entire credit card portfolio.

The Visa credit cards relating to the Accounts are issued as part of the worldwide Visa International payment network, and transactions creating Receivables through the use of these credit cards are processed through the Visa International payment network. The right of CIBC to participate in the Visa International payment network is governed by the Visa Service and License Agreements.

In the event that any of the Accounts consist of Mastercard accounts, they will be issued as part of the worldwide Mastercard International payment network, and transactions creating Receivables through the use of the credit cards relating to such Mastercard accounts will be processed through the Mastercard International payment network. CIBC is a member of Mastercard and a customer of Mastercard International. The right of CIBC to participate in the Mastercard International payment network is governed by the Mastercard Service and License Agreements.

Should the right of the Seller to participate in the credit card program operated by any entity or organization under whose regulations any credit cards were issued in connection with the Accounts, including pursuant to the Visa Service and License Agreements or the Mastercard Service and License Agreements, be terminated while any of the Accounts are regulated thereby, an Amortization Event would occur, and delays in payments on the Account Assets and possible reductions in the amounts thereof could also occur. The co-ownership interests in the Account Assets which will be transferred to the Trust will arise from the Accounts falling within the Designated Portfolios. Such Accounts have different billing and payment structures, including different interest rates and fees.

Total System Services, Inc. currently provides the credit card processing services for the Seller's credit card business.

Gemalto Canada Inc. currently provides credit card manufacturing and embossing, personal identification number (PIN) and card mailing and related services for the Seller's credit card business.

CPI Card Group Inc. also currently provides credit card manufacturing services for the Seller's credit card business.

The Accounts may be used to purchase merchandise and services and to obtain cash advances. A cash advance is made when an Account is used to obtain cash from a financial institution or automated banking machine or when funds are transferred from an Account using internet or telephone banking. Receivables arising as a result of purchases and cash advances will be included in the Account Assets. See "**Account Assets — The Account Assets**".

The Accounts were principally created through (i) applications made available to prospective cardholders at the banking facilities of CIBC, the premises of CIBC's co-branded credit card partners, at retail outlets and on-line at CIBC's website; (ii) applications mailed directly to prospective cardholders; (iii) telephone solicitations; and (iv) in-person solicitations conducted by third parties retained by CIBC at airports and other public places. In certain cases, CIBC also pre-approved applicants who met specific criteria set by CIBC based on the approved product.

## **Credit Granting Procedures**

When CIBC receives an application for a Visa account or a Mastercard account, it reviews each application for completeness and creditworthiness. In addition, CIBC generally obtains a credit report issued by an independent credit reporting agency with respect to the applicant. In some cases, however, CIBC will approve applicants who have limited or no credit histories. In many cases, however, CIBC also verifies certain of the applicant's information, including employment history and government tax forms. CIBC generally evaluates the ability of a credit card applicant to repay credit card balances by applying a credit scoring system using models developed jointly with an independent firm with extensive experience in developing credit scoring models and which incorporates CIBC's credit policy. Credit scoring evaluates a potential cardholder's credit profile to arrive at an estimate of the associated credit risk. Models for credit scoring are developed using statistics to evaluate certain selected criteria and their correlation with credit risk. The credit scoring model used to evaluate a particular applicant is based on a variety of factors, including past credit performance and the manner in which the applicant was identified. From time to time, the credit scoring models used by CIBC are reviewed and, if necessary, updated to reflect current economic trends and their impact on credit risk. Once an application to open a Visa account or a Mastercard account is approved, an initial credit limit is established for the account based on, among other things, the applicant's credit score and ability to pay. Some cardholders may be permitted to exceed their stated credit limits on a temporary basis based on their risk profile.

Each cardholder is subject to a Cardholder Agreement pursuant to which the Seller reserves the right to change or terminate any terms, conditions, services or features of the Account (including increasing or decreasing interest rates, fees and other charges or minimum payments), subject to the terms and conditions of the Pooling and Servicing Agreement. Credit limits may be adjusted periodically based upon an evaluation of the cardholder's performance. Any credit limit increases require the express consent of the primary cardholder.

## **Client Account Management Procedures**

The Seller generally considers an Account eligible for collection activity if a minimum payment due thereunder is not received by the Seller within one day of the due date indicated on the cardholder's statement. Efforts to collect payments on delinquent Accounts are made by the personnel of the Seller supplemented by collection agencies and counsel retained by the Seller.

Under current practice, the Seller includes a request for payment of overdue amounts on all billing statements issued after the Account becomes delinquent. Client account management personnel initiate contact with cardholders through a variety of means based upon their risk profiles. Accounts considered to be higher risk will be contacted by telephone or through other channels, such as short messaging services (SMS), e-mail, targeted messages through on-line banking, mobile banking and automated banking machines, and voice broadcast messaging (such other channels, "**Alternate Communications**") early in the delinquency cycle with more frequency while Accounts with a lower risk profile could also receive a collection letter or an Alternate Communication attempt in early delinquency stages. In the event that initial contact attempts fail to resolve the delinquency, the Seller continues to attempt contact with the cardholder by telephone, mail and Alternate Communications. Accounts are blocked from further use depending upon the risk profile and delinquency age. A block on purchases and cash transactions can be assessed as early as 30 days from the date of delinquency, and all accounts will be blocked by 90 days delinquent. The Seller may also, at its discretion, enter into arrangements with delinquent cardholders to extend or otherwise change billing cycles to allow for more suitable payment schedules. The current policy of the Seller is to charge off an Account when that Account becomes a Defaulted Account, provided that if the Seller receives notice that a cardholder has filed for bankruptcy or a consumer proposal under bankruptcy legislation or a credit counselling proposal, the Seller charges off such Account when a proof of claims is filed, the consumer proposal has been accepted by a majority of creditors, or the credit counselling proposal has been accepted by the Seller. The credit evaluation, servicing and charge off policies and collection practices of the Seller may change over time in accordance with the business judgment of the Seller, applicable law and guidelines established by applicable regulatory authorities.

## **Interchange**

CIBC receives Interchange Fees from the entities that clear the transactions for merchants in connection with cardholder charges for merchandise and services as partial compensation for taking credit risk, absorbing fraud losses and funding receivables for a limited period prior to initial billing. Interchange Fees are calculated as a percentage of

the principal amount of the related purchases which generate Receivables. On each Business Day, CIBC is required to transfer to the Servicer an amount in respect of Interchange Fees attributed to the Accounts which is payable to CIBC equal to the Pool Interchange Amount.

## **Billing and Payments**

A monthly billing statement is sent by the Seller to cardholders of a Visa credit card at the end of the billing period covered by such monthly billing statement. As of the date hereof, each month the Obligor must make a minimum payment equal to \$10 plus any interest and fees (not including any annual fee) plus the greater of (i) any past due amount from the prior month; or (ii) any indebtedness in excess of the Account's credit limit (the "**Over-Limit Amount**"), by a specific date. Any balance less than \$10 must be paid in full.

The Seller may charge an annual fee that varies depending on the features of the Account. Accounts may be subject to additional fees and charges, including a cash advance fee, a dishonoured cheque or payment fee, a balance transfer fee, a foreign currency conversion fee, an account maintenance fee, an over-limit fee, a statement copy fee and a transaction receipt copy fee.

Payments by cardholders to the Servicer on the Accounts (other than CIBC bizline Visa Accounts for small business Obligor, CIBC Aeroplan Reward Visa Accounts for small business Obligor and CIBC Aventura Visa Accounts for small business Obligor) are processed and applied to the balance in an Account in the following order:

- (a) first, towards the minimum payment due for the month in the following order:
  - (i) to interest which has appeared on an Account statement;
  - (ii) to fees which have appeared on an Account statement;
  - (iii) to transactions, such as purchases of goods or services or cash advances, which have appeared on an Account statement;
  - (iv) to fees which have not appeared on an Account statement; and
  - (v) to transactions, such as purchases of goods or services or cash advances, which have not appeared on an Account statement.

Payments by cardholders to the Servicer on the Accounts will be applied to all items within each of the categories in clauses (i) to (v) above in order of interest rate, beginning with the lowest interest rate item(s) within a category and continuing to the highest interest rate item(s) within the category; and

- (b) second, towards the portion of the balance shown on the most recent Account statement that remains after the minimum payment has been applied (the "**Remaining Billed Balance**") using the following process: (i) the Remaining Billed Balance is divided into different segments based on interest rate with all items having the same interest rate being placed in the same segment (for example, all items at the regular interest rate for purchases would be placed in one segment, all balance transfers at the same special low interest rate would be placed in a different segment etc.); and (ii) the payment is allocated to the various segments in the proportion that each segment represents of the Remaining Billed Balance (for example, if purchases and cash advances at the same interest rate represent 80% of the Remaining Billed Balance, 80% of any amount received in excess of the minimum payment would be allocated to this segment).

Any payments received in excess of the Remaining Billed Balance are applied to transactions which have not yet appeared on an Account statement using the same process described above for the Remaining Billed Balance. Credit balances are applied to unbilled items at the same time and in the order in which they are posted to the Account.

Payments by cardholders to the Servicer on the CIBC bizline Visa Accounts for small business Obligor, CIBC Aeroplan Reward Visa Accounts for small business Obligor and CIBC Aventura Visa Accounts for small



business Obligors are processed and applied to the balance in an Account in the following order: (i) first, to interest; (ii) second, to fees; (iii) third, to previously billed items, in the order of interest rate, from lowest to highest (items with the same interest rate are applied in the following order: balance transfers, cash advances, purchase promotions and purchases); (iv) fourth, to currently billed items in the same order as in clause (iii) above; and (v) last, if there is a credit balance on the Account, to unbilled items at the same time and in the order in which they are posted to the Account.

There can be no assurance that interest rates, fees and other charges will remain at current levels.

### **THE CUSTODIAN**

Computershare Trust Company of Canada, successor in interest to Montreal Trust Company of Canada, is the Custodian appointed under the Pooling and Servicing Agreement. The head office of the Custodian is located at 100 University Avenue, 11th Floor, Toronto, Ontario, M5J 2Y1. Under the Pooling and Servicing Agreement, the Custodian, as agent and bailee for the Trust and the Seller, is required to hold the Account Assets and to perform the duties which are specifically set out in the Pooling and Servicing Agreement, including reviewing reports and certificates required to be delivered by the Servicer to ensure that they substantially conform in form to the requirements of the Pooling and Servicing Agreement and notifying the Seller, the Servicer, any Agent for a Series, each Entitled Party, the Trust, each Rating Agency and any other Person specified in any Series Purchase Agreement as being entitled to receive such notice if an Amortization Event occurs.

The Pooling and Servicing Agreement sets out eligibility requirements relating to the Custodian to be satisfied on an ongoing basis. These eligibility requirements provide that the Custodian must at all times be a Schedule I chartered bank or a trust company or insurance company organized and doing business under the laws of Canada or any province or territory thereof and, in each case, authorized under applicable law to exercise corporate trust powers, and (i) have a combined capital and surplus of at least \$50,000,000 and an investment grade rating from each of the Rating Agencies and be subject to supervision or examination by federal, provincial or territorial authorities; or (ii) satisfies the Rating Agency Condition. The Pooling and Servicing Agreement provides that the Seller, as the owner of the Retained Interest, the Servicer and the Co-Owners may remove the Custodian and promptly appoint a successor Custodian if, among other things, the Custodian ceases to be eligible in accordance with the provisions of the Pooling and Servicing Agreement and fails to resign voluntarily. The Custodian may also resign at any time, in which event the Seller, as the owner of the Retained Interest, and the Co-Owners will be obligated to appoint a successor Custodian. If they do not, the Servicer may apply to the applicable court for the appointment of a successor Custodian. Any resignation or removal of the Custodian and appointment of a successor Custodian does not become effective until the acceptance of the appointment by the successor Custodian.

The custodial arrangement pursuant to the Pooling and Servicing Agreement will terminate on the earlier of (i) the day following the Calculation Day on which the sum of the Unadjusted Invested Amounts for all Ownership Interests is zero and no other amounts are distributable to the Trust in respect of any Ownership Interest pursuant to any Series Purchase Agreement or with respect to any obligation relating to any related Additional Property Agreement and the Seller notifies the Custodian that no further Ownership Interests are intended to be created and sold pursuant to the Pooling and Servicing Agreement; and (ii) following the occurrence of all Series Termination Dates and, in each case, at such time as the Seller notifies the Custodian and each Agent that no further Ownership Interests are intended to be created and transferred. Upon the termination of the custodial arrangement, all right, title and interest in the Account Assets and all funds held by the Custodian in the Collection Account or otherwise related to Accounts included by the Seller will be delivered to the Seller in respect of the Retained Interest.

The Pooling and Servicing Agreement provides that the Co-Owners and the Seller, as the owner of the Retained Interest, will pay the Custodian reasonable compensation for all services rendered by the Custodian and will reimburse the Custodian for all reasonable expenses disbursements and advances incurred in the exercise and performance of its duties under the Pooling and Servicing Agreement.

## THE ACCOUNT ASSETS

### General

Pursuant to the Pooling and Servicing Agreement, CIBC may, from time to time, sell Ownership Interests to Co-Owners pursuant to a related Series Purchase Agreement. The discussion in this short form base shelf prospectus of certain provisions of the Pooling and Servicing Agreement and of the sale of Ownership Interests pursuant to Series Purchase Agreements does not purport to be complete and is qualified in its entirety by reference to all the provisions of the Pooling and Servicing Agreement and the related Series Purchase Agreements.

### Deposit of Account Assets with the Custodian

The Seller will transfer, pursuant to the terms of the related Series Purchase Agreement, without recourse (except as expressly provided in the Pooling and Servicing Agreement or the related Series Purchase Agreement) and on a fully serviced basis, to the Custodian, as agent and bailee of the Seller and the Co-Owners an undivided co-ownership interest in all of the Seller's right, title and interest in, to and under the Account Assets on and after the applicable Closing Date. The Seller has provided (in the case of Accounts) or is required to provide (in the case of Additional Accounts, and in such case, by no later than the Calculation Day next following the Reporting Period in which the Additional Accounts were added) (i) to the Custodian an encrypted computer file containing a true and complete list of all Accounts or Additional Accounts, as the case may be, the names and addresses of all related Obligors and the amount of Receivables owing under each such Account or Additional Accounts as of the date specified as the cut-off date with respect to such Account or Additional Account; and (ii) to the Co-Owner or as the Co-Owner may otherwise direct, the decryption key relating thereto. Pursuant to the terms of the Pooling and Servicing Agreement, the Seller will be required to provide an updated encrypted computer file in connection with the removal of any Accounts in accordance with the timing specified under "**Removal of Accounts**".

The Seller will represent and warrant that it has, and has covenanted that it will file, financing statements and all other applicable registration documentation in accordance with applicable provincial laws to perfect the purchase by each Co-Owner of the related Ownership Interest.

### Account Selection Criteria

Pursuant to the Pooling and Servicing Agreement, an "**Account**" means, as of a specified date and without duplication, (i) an Eligible Credit Card Account which is (v) within a Designated Portfolio; (w) in existence, owned by the Seller and maintained and serviced by the Seller, the Servicer or any entity delegated responsibility by the Servicer (x) not, and the Receivables thereunder are not, subject to any lien and have not been sold to any other Person; (y) payable in Canadian dollars; and (z) an account that satisfies the additional criteria, if any, applicable to Accounts set forth in the related Series Purchase Agreement or any Additional Property Agreement; (ii) an Additional Account; (iii) a Related Account; (iv) a Substituted Account; and (v) an Eligible Credit Card Account within a Designated Portfolio created to replace an Account in connection with the amendment of the terms of such Account (provided that such replacement account can be traced and identified by reference to, or by way of, the Account Records and satisfies the criteria in clauses (i) (v) (w), (x), (y), and (z) above), but cannot be a Removed Account. See "**Removal of Accounts**". As of the date hereof, all Accounts are Visa accounts.

Unless otherwise specified in a pricing supplement, the following are the "**Designated Portfolios**":

- (a) CIBC Aeroplan Reward Visa Cards;
- (b) CIBC Classic Visa Cards;
- (c) CIBC Select Visa Cards;
- (d) CIBC Gold Visa Cards;
- (e) CIBC Dividend Visa Cards;

- (f) CIBC Aventura Visa Cards;
- (g) CIBC Platinum Visa Cards; and
- (h) CIBC bizline Visa Cards.

### **The Account Assets**

The “**Account Assets**” refer to (i) in respect of any Account at any time (x) Receivables owing from time to time under such Account, but excluding any security granted to the Seller in respect of the payment thereof; (y) all monies due or becoming due thereunder (including Card Income and all other non-principal amounts); and (z) all monies due in respect of such Account pursuant to any guarantee or an insurance policy; and (ii) the then applicable Pool Interchange Amount. As of the date hereof, all Account Assets are in respect of Visa accounts. Subject to certain requirements, Visa accounts and Mastercard accounts may from time to time be added in the manner described under “**Addition of Accounts**” and Visa accounts and Mastercard accounts, to the extent Mastercard accounts are included in the Accounts, may from time to time be removed in the manner described under “**Removal of Accounts**”.

### **The Receivables**

The “**Receivables**” included in the Account Assets are all amounts (including interest and other non-principal amounts billed at the time) owing by the Obligors under or in respect of the Accounts including any balance transfers and the right to receive all future Collections in respect thereof. The aggregate dollar amount of Receivables (and therefore 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. The “**Pool Balance**” at any time is equal to the aggregate outstanding balances of all Receivables, excluding Defaulted Amounts, at that time.

### **Addition of Accounts**

If the Pool Balance is less than the Required Pool Amount as of a Reporting Day for a Reporting Period, the Seller is required, on or prior to the close of business on the tenth day (or if such day is not a Business Day, the next succeeding Business Day) (the “**Required Identification Date**”) following the related Calculation Day of such Reporting Period, to the extent such accounts are available and are not Accounts on such date, to designate Eligible Credit Card Accounts within a Designated Portfolio to be included as Additional Accounts as of the Required Identification Date or any earlier date such that, after giving effect to such designation, the Pool Balance will be at least equal to the Required Pool Amount.

In addition, the Seller may from time to time, in its sole discretion, subject as hereinafter provided, voluntarily designate Eligible Credit Card Accounts within a Designated Portfolio, to the extent such Credit Card Accounts are available and are not Accounts on such Addition Date, to be included as Additional Accounts as of the applicable Addition Date and thereby sell, transfer, assign and convey to the Co-Owners undivided co-ownership interests in the related Account Assets existing on and after a specified date (the “**Addition Cut-Off Date**”); provided, however, that, unless the Rating Agency Condition is satisfied, (i) during any three consecutive Reporting Periods (x) the number of Accounts added as Additional Accounts during such three month period shall not exceed 15% of the number of Accounts as of the first day of such three month period; and (y) the balance of Accounts added as Additional Accounts during such three month period shall not exceed 15% of the Pool Balance as of the first day of such three month period; and (ii) during any 12 month period, (x) the number of Accounts added as Additional Accounts shall not exceed 20% of the number of Accounts as of the first day of such 12 month period; and (y) the balance of Accounts added as Additional Accounts during such 12 month period shall not exceed 20% of the Pool Balance as of the first day of such 12 month period.

Undivided co-ownership interests in the Additional Accounts shall automatically and without further action or writing be transferred to the Co-Owners, effective on a date (the “**Addition Date**”) which is the Required Identification Date in the case of Accounts required to be included as Additional Accounts in order to increase the Pool Balance and, in the case of other Accounts to be added as Additional Accounts, a date which is specified in a written notice (the “**Addition Notice**”) specifying the Addition Cut-Off Date and the Addition Date for such Additional Accounts provided by the Seller to the Custodian, the Servicer, each Agent, each Entitled Party and each Rating Agency on or

before the tenth Business Day prior to the Addition Date. Such Additional Accounts may only be added if certain conditions are satisfied, including: (i) the Additional Accounts shall satisfy the criteria in clause (i) of the definition of “Account”; (ii) no insolvency event with respect to the Seller has occurred or will occur as a result of the transfer of the related Account Assets; and (iii) the transfer of the Account Assets will not result in the occurrence of an Amortization Event.

In addition, the Seller is required to deliver twice each year, to the Custodian, the Financial Services Agent, each Entitled Party and each Rating Agency, an opinion of counsel in relation to all Series with respect to the transfer and perfection of the transfer of undivided co-ownership interests in the Account Assets under Additional Accounts, if any, added as Accounts by it during the immediately preceding six month period.

### **Designation of Portfolios**

The Seller may, from time to time, in its sole discretion, subject as hereinafter provided, voluntarily designate a Portfolio to be added as a Designated Portfolio from and after a specified Reporting Day (the “**Portfolio Designation Date**”). A Portfolio may only be designated by the Seller as a Designated Portfolio if the following conditions are satisfied:

- (a) the Seller has delivered a written notice (the “**Portfolio Designation Notice**”) to the Custodian, the Servicer, each Agent, each Entitled Party and each Rating Agency on or before the fifteenth Business Day prior to the Reporting Day specified therein as the Portfolio Designation Date. The notice shall: (i) specify the Portfolio; (ii) specify the Portfolio Designation Date; and (iii) provide for the amendment of the Designated Portfolio list;
- (b) the Seller has delivered, together with the Portfolio Designation Notice, a true copy of the Cardholder Agreements governing the Credit Card Accounts in the Designated Portfolio;
- (c) the Rating Agency Condition in relation to all Series has been satisfied with respect to the designation of the Portfolio as a Designated Portfolio;
- (d) no Amortization Event in respect of the Ownership Interests would result from such addition;
- (e) the Seller has represented and warranted in an officer’s certificate delivered to the Custodian, each Rating Agency, each Agent and each Entitled Party that the Seller reasonably believes that the designation of the Portfolio as a Designated Portfolio will not result in the occurrence of an Amortization Event in respect of any Series and is not reasonably expected to result in the occurrence of an Amortization Event in respect of any Series at any time in the future; and
- (f) each condition specified in any Series Purchase Agreement in relation to the designation of a Portfolio as a Designated Portfolio has been satisfied.

On and after the Portfolio Designation Date with respect to a Designated Portfolio, the Seller may, among other things, include one or more Credit Card Accounts within such Designated Portfolio from time to time as Additional Accounts. For greater certainty, the designation of a Portfolio as a Designated Portfolio shall not in and of itself constitute an addition of any Credit Card Account within such Designated Portfolio as an Additional Account; provided, however, that from and after the Portfolio Designation Date in respect of a Designated Portfolio, a Credit Card Account within the Designated Portfolio may be added as an Additional Account. As of the date hereof, not all Eligible Credit Card Accounts in the Designated Portfolios are included as Accounts.

### **Removal of Accounts**

The Seller has the right under the Pooling and Servicing Agreement to designate Accounts to be removed (each, a “**Designated Account**”) on or after a specified date (the “**Removal Date**”), provided that the following conditions are satisfied:

- (a) the Seller has delivered to the Custodian, each Co-Owner, each Agent, each Entitled Party and each Rating Agency, a written notice (a “**Removal Notice**”) specifying the Removal Date which shall be not less than five Business Days following the delivery of such notice;
- (b) the Seller has been deemed to represent and warrant to the Custodian, each Co-Owner and each Entitled Party as of the applicable Removal Date that in its reasonable belief the removal of the Designated Accounts on the Removal Date will not cause an Amortization Event to occur in respect of any Series or cause the Pool Balance to be less than the Required Pool Amount;
- (c) the Seller has determined, as of the close of business on the Removal Cut-Off Date, the outstanding balance, if any, of the Receivables under such Designated Accounts as of the close of business on the Removal Cut-Off Date (the “**Designated Balance**”) and deliver to the Custodian on the Removal Date a list specifying the account numbers of such Designated Accounts and the Designated Balances thereof;
- (d) by no later than the Calculation Day relating to the Reporting Period in which a Designated Account becomes a Removed Account, the Seller has provided an updated encrypted computer file containing a list of Accounts in accordance with the Pooling and Servicing Agreement;
- (e) the Rating Agency Condition with respect to all Series and the Related Securities has been satisfied in respect of the proposed removal of Accounts;
- (f) except for the Designated Accounts described in clause (g) below, the Designated Accounts are selected on a random basis by the Seller;
- (g) the Seller may designate Designated Accounts as provided in and subject to the terms described in this section without being subject to the restrictions set forth in clause (f) above if the Designated Accounts are designated in response to a third party’s action or decision not to act (including, without limitation, any Obligor allowing an Account to become a Defaulted Account or an Inactive Account) and not the unilateral action of the Seller; and
- (h) there shall be no more than one Removal Date during any calendar month.

In addition, the Seller is required to:

- (a) pay, on behalf of the applicable Obligors, the Designated Balance of such Designated Accounts; or
- (b) purchase the Account Assets thereunder,

in each case by depositing cash in an amount equal to the Designated Balance into the Collection Account on or prior to the second Business Day after the Removal Date, which amounts are deemed to be Collections for such day. On such day the Accounts under the Designated Accounts will become “**Removed Accounts**” and all of the right, title and interest of the Co-Owners in and to the Account Assets under such Removed Accounts will be transferred to the Seller.

### **Mandatory Purchase**

CIBC, in its capacity as the Seller, has made certain representations, warranties and covenants in the Pooling and Servicing Agreement relating to, among other things, the Account Assets. If CIBC fails to comply with certain of these covenants or if certain of these representations and warranties are found to have been incorrect when made and such incorrect representations or warranties have a material adverse effect on the value or collectability of the Account Assets (which determination shall be made without regard to whether funds are then available pursuant to any Additional Property Agreement), and continue to be incorrect or unremedied, and continue to have such a material adverse effect for a period of 30 days after delivery by the Custodian, any Agent, any Co-Owner or any Entitled Party of a written notice to CIBC, then, subject to certain conditions specified in the Pooling and Servicing Agreement, CIBC is required to purchase such affected Account Assets from the Trust or other Co-Owners, as the case may be, on or before the expiry of such 30 day period.

If certain other representations or warranties of the Seller set forth in the Pooling and Servicing Agreement are incorrect and such incorrect representations or warranties have a material adverse effect on one or more Series or the entitlement of any Co-Owner to its proportionate share of Collections (which determination shall be made without regard to whether funds are then available pursuant to any Additional Property Agreement), and if such incorrect representations and warranties remain incorrect or unremedied, and continue to have such a material adverse effect, for a period of 30 days after delivery of such written notice, then, by written notice delivered to the Seller, the Servicer, any related Agent and any related Entitled Party, the Custodian, if so directed by a direction by such Co-Owner, shall direct the Seller to purchase the Ownership Interests of such Series.

CIBC, in its capacity as the Servicer, has also made certain representations, warranties and covenants relating to the Account Assets. If CIBC fails to comply with certain of these covenants and such non-compliance has a material adverse effect on the value of the Account Assets and continues unremedied for a period of 30 days after delivery by the Custodian, any Agent, any Co-Owner or any Entitled Party of written notice thereof to CIBC, then, subject to certain conditions specified in the Pooling and Servicing Agreement, CIBC is required to purchase such affected Account Assets on or before the expiry of such 30 day period.

If any Account becomes a Secured Account, then CIBC, in its capacity as the Seller, is required to purchase the Account Assets related to such Account on or before the second Transfer Date following the calendar month during which such Account became a Secured Account. The payments contemplated to be made by the Seller or the Servicer in this paragraph and the preceding three paragraphs shall be deposited by the Servicer into the Collection Account.

### **Indemnification**

The Pooling and Servicing Agreement provides that each of the Seller and the Servicer will indemnify and hold harmless the Custodian, its officers, directors and employees, the Co-Owners, the Entitled Parties and, in the case of the Servicer, the Seller, from and against any loss, liability, expense, damage, claim or injury awarded against or incurred by them arising out of, among other things, (i) any material incorrectness in any representation and warranty made by it; (ii) its failure to perform or observe any of its covenants, duties or obligations under the Pooling and Servicing Agreement; (iii) its failure to comply with any applicable law in respect of any Receivable or Account including any failure to render any account in accordance with any applicable law or the applicable Cardholder Agreement or to perform its obligations under any Account or, in the case of the Seller, the non-conformity of any Receivable with any applicable law; or (iv) any product liability claim, claim for taxes exigible on the sale of any service or merchandise, or personal injury or property damage suit or other similar or related claim or action of whatsoever sort arising out of or in connection with any merchandise or services which are the subject of any Receivable or Account.

### **Restrictions on Amendments to the Terms and Conditions of the Accounts**

Under the Pooling and Servicing Agreement, the Seller may change, subject to compliance with all applicable laws, the terms and provisions of any or all of the Accounts, the terms and provisions of the related Cardholder Agreements and its practices and procedures relating to the operation of its credit card business, in each case, in any respect whatsoever (including the calculation of the amount and the timing of delinquencies, write-offs, credit, finance or service charges and other fees or amounts charged or assessed with respect to or in connection with the Accounts and the designation or name of the applicable card or cards) if such change is made:

- (a) to comply with changes in applicable laws;
- (b) so that the terms and provisions of the Accounts, the Cardholder Agreements and/or such practices and procedures are, in the opinion of the Seller acting reasonably, competitive with those currently available to customers of its competitors or, in the opinion of the Seller acting reasonably, will be competitive with those which are expected to be made available by its competitors or otherwise in a manner with respect to which the Rating Agency Condition is satisfied;
- (c) applicable to the comparable segment of credit card accounts, if any, owned or serviced by the Seller which have, in the opinion of the Seller acting reasonably, the same or substantially similar credit characteristics as the Accounts which are the subject of such change, and for such purpose the

holding by the Seller of all of a portion of the Retained Interest shall be deemed to constitute a comparable segment of credit card accounts owned or serviced by the Seller; or

- (d) in any other manner which, in the opinion of the Seller acting reasonably, is not materially detrimental to the interests of any Co-Owner or any Entitled Party.

### **Discount Option**

The Pooling and Servicing Agreement provides that the Seller may, at its sole discretion, at any time, upon at least 30 days' prior written notice to the Servicer, the Custodian, each Entitled Party and each Rating Agency, designate a specified fixed or variable percentage (the "**Discount Percentage**") of the amount of Receivables arising in the Accounts on and after the date such option is exercised that otherwise would have been treated as Principal Receivables to be treated as Finance Charge Receivables, (each, a "**Discount Option Receivable**"). The result of such discounting treatment is to increase the yield to the Account Assets beyond the actual income performance of the Accounts. Such designation will become effective upon satisfaction of the requirements set forth in the Pooling and Servicing Agreement, including (a) satisfaction of the Rating Agency Condition, and (b) the Seller shall have delivered to the Custodian a certificate of an officer stating that in the reasonable belief of the Seller, such designation shall not cause an Amortization Event in respect of any Series to occur. After such designation is effective, on the date of processing of any Collections, the product of the Discount Percentage and Collections of Receivables that arise in the Accounts on such day that otherwise would be Principal Receivables will be deemed to be Collections of Finance Charge Receivables and will be applied accordingly.

## **OWNERSHIP INTERESTS**

### **Purchase of Ownership Interests**

In connection with each sale by the Seller to a Co-Owner of an Ownership Interest, the Co-Owner will enter into a Series Purchase Agreement, pursuant to which it will purchase, and the Seller will sell, transfer, assign and convey to it, an Ownership Interest as of the date specified therein. The creation, transfer and servicing of each Ownership Interest is provided for in the Pooling and Servicing Agreement as supplemented by the related Series Purchase Agreement. Each Ownership Interest will constitute an undivided co-ownership interest in the Account Assets purchased pursuant to the Series Purchase Agreement entitling the Co-Owner to those rights and benefits set out in the Pooling and Servicing Agreement and in the related Series Purchase Agreement. Neither the Seller nor any Co-Owner will have a separate interest in any Receivable under any particular Account. The Retained Interest is not an Ownership Interest. The Seller will represent and warrant that it has filed or registered, and will covenant that it will file or register, financing statements and all other applicable instruments and documentation in accordance with applicable provincial and territorial laws to perfect the purchase by each Co-Owner of its Ownership Interest.

The creation and transfer by the Seller of an Ownership Interest and the obligation of the Custodian to execute and deliver the related Series Purchase Agreement and any related Additional Property Agreement are subject to certain conditions being satisfied, including, (i) satisfaction of the Rating Agency Condition; and (ii) delivery by the Seller to the Custodian of a certificate of an officer of the Seller dated the related Closing Date that (x) no Amortization Event in respect of any Series has occurred and the Seller reasonably believes that such transfer will not, on the related Closing Date or in the future, result in the occurrence of an Amortization Event in respect of any Series; and (y) immediately after giving effect to such transfer, the Pool Balance will not be less than the Required Pool Amount.

Each Co-Owner may also agree to increase its Ownership Interest by the purchase of an Additional Ownership Interest. Furthermore, if, in accordance with any Series Purchase Agreement, any Series Enhancement Draw in respect of the related Series is paid, directly or indirectly, to the Seller, the Seller will be deemed to have transferred to the related Co-Owner an Additional Ownership Interest having a purchase price of equal amount.

Each Series Purchase Agreement to which the Trust is a party will be in substantially identical form differing only as set out in the applicable pricing supplements.

## The Invested Amount

Each Co-Owner's proportionate interest in the Account Assets will be calculated by reference to its "**Invested Amount**". The Invested Amount of each Series will initially be equal to the amount specified as such (the "**Initial Invested Amount**") in the related Series Purchase Agreement (and set out in the applicable pricing supplement) and, for each Reporting Day thereafter, the amount, in dollars, equal to:

(a) the Unadjusted Invested Amount of the Series on the Reporting Day;

plus,

(b) the stated dollar amount of the increase, if any, in the Invested Amount of the Series determined for the Reporting Day in respect of the entitlement of the Co-Owners of the Series to the Series Allocable Pool Income for the related Reporting Period;

plus,

(c) the stated dollar amount, if any, equal to Series Enhancement Draw, as specified in the related Series Purchase Agreement, (including, without duplication, any Series Maturity Enhancement Entitlement) for the related Reporting Period;

minus,

(d) the stated dollar amount equal to the excess, if any, of the Series Pool Losses for the related Reporting Period over the Ownership Finance Charge Receivables for the related Reporting Period;

minus,

(e) the stated dollar amount of Collections, Transfer Deposits or Series Enhancement Draws (including, without duplication, any Series Maturity Enhancement Entitlement) determined to be required to be deposited into the Accumulations Account or other Series Account in respect of the Series pursuant to the related Series Purchase Agreement on such Reporting Day or any day thereafter, as specified in the then effective Remittance Notice for the purpose of providing the Co-Owner of the Series with funds in respect of such Co-Owner's Ownership Income Requirement for such Reporting Period, which amount, for greater certainty, shall not be greater than the sum of the Series Allocable Pool Income and the available Series Enhancement Draws, in each case, for such Series in respect of such Reporting Period;

provided, however, that, if the Aggregate Ownership Amount on any day exceeds the Pool Balance on that day, the Invested Amount for a Series is equal to the product of (i) the Pool Balance on that day; and (ii) a fraction the numerator of which is the Invested Amount of the Series on that day, and the denominator of which is the Aggregate Ownership Amount on that day, each as determined without reference to this proviso.

## Clean-up Repurchase Option

Any Series may be repurchased by the Seller on a Reporting Day, if (i) the Seller gives notice to the Custodian and any other Person specified in the related Series Purchase Agreement not less than ten days before the date of purchase; and (ii) the Invested Amount of the Series is reduced to an amount less than or equal to 10% of the sum of (x) the Initial Invested Amount of the Series; and (y) the stated dollar amount of any Additional Ownership Interest in respect of the Series acquired after the Closing Date. The repurchase price for the Ownership Interest of a Series will be equal to (i) the Invested Amount of the Series calculated on the Reporting Day on which the purchase is made (the "**Purchase Date**"); (ii) the amount which would have been the related Ownership Income Requirement for the period from, but not including, the Purchase Date to and including the date of payment in full of the aggregate purchase price minus the portion of such Ownership Income Requirement that relates to Pool Expenses to be borne by the related Co-Owner in relation to such period; and (iii) any additional amount specified to be included in the purchase price pursuant to the related Series Purchase Agreement or Additional Property Agreement.



## **The Retained Interest**

The balance of the interest in the Account Assets and to the Collection Account and in all investments of such deposits and the proceeds thereof, other than the undivided co-ownership interests owned by the Co-Owners, constitutes the Retained Interest owned by the Seller. The dollar value of the Retained Interest at any time will be equal to the amount, if any, by which the Pool Balance exceeds the Aggregate Ownership Amount on such day.

## **CREDIT CARD PORTFOLIO**

The Financial Services Agent will post under the Issuer's profile on [www.sedar.com](http://www.sedar.com) on a quarterly basis certain information pertaining to the Account Assets related to the Accounts in the Designated Portfolios in which the Issuer maintains undivided co-ownership interests through ownership of Ownership Interests. The information will be of two types. First, portfolio composition data will summarize the Account Assets related to the Accounts in the Designated Portfolios, by (a) account balance, credit limit, age of accounts and geographic distribution as at the most recent quarter end of the Issuer and (b) credit score as at the most recent billing date for the applicable cardholder in the last month of the most recent quarter end of the Issuer. Second, historical performance data will summarize the Account Assets related to the Accounts in the Designated Portfolios (a) with year-to-date amounts as at the most recent quarter end in the current fiscal year of the Issuer and annual amounts for the three previous fiscal years of the Issuer, by revenue experience, loss experience and cardholder monthly payment rates, and (b) with amounts as at the most recent quarter end in the current fiscal year of the Issuer and amounts as at the end of the three previous fiscal years of the Issuer, by delinquencies.

## **COLLECTIONS**

### **Collection Account**

The Servicer, for the benefit of the Co-Owners, the Seller and any other Entitled Party, will establish and maintain, in the name of the Custodian, an Eligible Deposit Account bearing a designation clearly indicating that the funds deposited therein are held in trust for the Co-Owners, the Seller and the Entitled Parties (the "**Collection Account**"). Collections and Transfer Deposits will be deposited into the Collection Account by the Servicer, except in the circumstances described below. The proportionate share of such Collections which each Co-Owner is entitled to receive will thereafter be transferred to the related Accumulations Account or other related Series Accounts as may be directed by the Co-Owner. As the Servicer, the Seller will collect and administer the Receivables as agent for and on behalf of itself and the Co-Owners.

For so long as CIBC remains the Servicer and all additional conditions and requirements in one or more Series Purchase Agreements or Additional Property Agreements are satisfied, the Seller will not be required to deposit Deemed Collections, Collections, or Transfer Deposits into the Collection Account at the times specified in the Pooling and Servicing Agreement but, rather, may commingle such amounts with its general funds and make deposits directly into the Collection Account or into the Accumulations Account or other Series Account for a Series as specified in the related Series Purchase Agreement at the times specified therein in accordance with the related Remittance Notice. Otherwise, the Servicer is required to deposit Collections within two Business Days after the date of processing thereof and to deposit all other funds on the day of their receipt.

If on any Business Day during the Revolving Period (a) the Servicer is required pursuant to the terms of the Pooling and Servicing Agreement to deposit Collections into the Collection Account not later than the second Business Day after the Date of Processing thereof, (b) the Servicer continues to commingle excess Collections, Deemed Collections and Transfer Deposits as permitted under the Pooling and Servicing Agreement, and (c) 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 for such Business Day, then (i) the Servicer shall thereafter deposit Collections and Deemed Collections into the Collection Account not later than the second Business Day after the Date of Processing thereof, and (ii) no payment shall be made to the Seller with respect to its Retained Interest pursuant to the Pooling and Servicing Agreement or pursuant to any Series Purchase Agreement until (I) the Pool Balance is at least equal to the Required Pool Amount or (II) a Partial Commingling Amortization Event has occurred, in which case the Seller will only receive payments with respect to its Retained Interest in accordance with the provisions of the Pooling and Servicing Agreement that apply upon the occurrence of an Amortization Event.

## Allocation of Collections

On each Business Day during the Revolving Period, each Co-Owner will be allocated a portion of Collections in respect of its Ownership Interest equal to the related Ownership Allocable Collections for the day, which is an amount of daily Collections determined in relation to each Ownership Interest in its Revolving Period based on its Series Revolving Percentage for the Business Day.

## Reinvestment of Excess Collections

Except in the circumstances where the Pool Balance is less than the Required Pool Amount or in the circumstances described below under “**Excess Collections**”, each Co-Owner will reinvest Excess Collections allocable but not distributed to it in respect of its Ownership Interest to sustain the amount of its investment in the undivided co-ownership interest in Account Assets constituted by such Ownership Interest. If Collections allocable to a particular Ownership Interest are distributed to one or more other Co-Owners as Excess Collections, the Co-Owner will be deemed to have acquired an undivided co-ownership interest in the Account Assets from such other Series receiving such Excess Collections in an amount and for a purchase price equal to the Excess Collections so distributed.

## Excess Collections

If Collections and Transfer Deposits allocable on a Business Day to any Ownership Interest are not distributed to the related Co-Owner, then, subject to certain conditions (including that the Pool Balance exceeds the Required Pool Amount on such Business Day) such Collections (the “**Excess Collections**” for the Business Day) will be available for distribution to other Series in an amount equal to the excess of (i) the amount required by such Series on such day for distribution (as determined by such Series’ then current Remittance Notice); over (ii) Collections and Transfer Deposits allocable to such Series on such day for such Series (in respect of a Series, an “**Excess Requirement**” for the Business Day). If the aggregate of Excess Requirements for all Series on a Business Day exceeds the amount of Excess Collections on the Business Day, Excess Collections will be distributed *pro rata* among the applicable Series based on the relative amounts of their Excess Requirements. To the extent that Excess Collections exceed Excess Requirements, the balance will be reinvested in Account Assets and will be distributed to the Seller in respect of the Retained Interest; provided, however, that a distribution to the Seller will not be made at any time that the Pool Balance is less than the Required Pool Amount. Any amount of Excess Collections not distributed to the Seller because the Pool Balance is less than the Required Pool Amount will be held unallocated by the Custodian in the Collection Account as property of the Trust and treated like Collections owned thereby.

## Entitlement to Collections

The amount of Collections and Transfer Deposits to which each Co-Owner shall be entitled on a day shall be equal to the lesser of:

- (a) the sum of:
  - (i) Collections allocated to the Co-Owner for the day equal to the related Ownership Allocable Collections;
  - (ii) Transfer Deposits allocated to the Co-Owner for the day; and
  - (iii) Collections and Transfer Deposits that are non-applied Excess Collections held in the Collection Account for the related Ownership Interest on the day; and
- (b) the sum of:
  - (i) the amount of Pool Expenses to be borne by the related Series for the day;
  - (ii) the amount directed to be deposited into the Accumulations Account or other Series Accounts of the Co-Owner on the day for remittance to or on behalf of or otherwise directed

by the Co-Owner pursuant to the related Series Purchase Agreement, as specified in the then effective Remittance Notice for the Series;

- (iii) the amount, if any, of Excess Collections of the Ownership Interest for the day which is to be remitted to the Co-Owners or other Entitled Parties of another Series; and
- (iv) the amount, if any, of Excess Collections of the Series for the day which are held in the Collection Account in respect of the Series.

## **REMITTANCES**

### **General**

Each Series Purchase Agreement will set out the Ownership Income Requirement of, and amounts required to be paid on account of principal on, the related Series. These amounts will vary from time to time depending upon, among other things, the remaining period to maturity of such Series at that time.

During the Revolving Period for each Series, the Co-Owner of a Series will only receive that portion of its Ownership Allocable Collections as is required to satisfy its Ownership Income Requirement and to pay certain other amounts, in each case, as specified in the related Series Purchase Agreement. See “**Revolving Period**” below.

An Accumulation Period may be designated in any Series Purchase Agreement. On commencement of an Accumulation Period, the Revolving Period for the related Series will terminate. The purpose of the Accumulation Period is to allow for the accumulation of enough funds to ensure that payment in full of the principal and interest on the related Series of Notes will be made on the Targeted Principal Distribution Date of the related Series. During this period, the Servicer will deposit a specified portion of Collections to the related Accumulations Account in order to be in a position to pay the Noteholders of such Series of Notes in full on the Targeted Principal Distribution Date of the related Series. See “**Accumulation Period**” below.

Each related Series Purchase Agreement will set out Amortization Events, the occurrence of which will, automatically or upon notice, result in the termination of the Revolving Period or the related Accumulation Period, as the case may be, for such Series and the commencement of the Amortization Period. During the Amortization Period, a Co-Owner will receive the full amount of its Ownership Allocable Collections and its allocated Transfer Deposits and Excess Collections, for application on the basis set forth in such Series Purchase Agreement. If an Amortization Event occurs, Noteholders may receive repayment of their principal before or after the Targeted Principal Distribution Date of the related Series. See “**Amortization Period**” below.

Each Series may have an Amortization Period or Accumulation Period which has a different length and begins on a different date than the Amortization Period or Accumulation Period for other Series. As a result, one or more Series may be in an Amortization Period or an Accumulation Period while other Series are not. See “**Investment Considerations — Additional Ownership Interests**”.

### **Required Remittance Amount**

On each Business Day, the Custodian, upon direction of the Servicer, shall withdraw from amounts on deposit in the Collection Account and deposit in the Accumulations Account for each Series an amount equal to the lesser of (i) the Ownership Allocable Collections and Transfer Deposits allocated to the Co-Owner of the Series pursuant to the Pooling and Servicing Agreement, plus, on a *pro rata* basis among applicable Series, any available Excess Collections not previously applied in respect of the immediately preceding Reporting Day; and (ii) the amount directed to be deposited into the Accumulations Account on the Business Day pursuant to the related Series Purchase Agreement (such directed amount, the “**Required Remittance Amount**”).

If the Seller is the Servicer, the Servicer shall be entitled to deposit the Required Remittance Amount for each Series directly to the related Accumulations Account for such Series without first depositing it to the Collection Account, except from and after the occurrence and during the continuance of a Servicer Termination Event.

Amounts that are on deposit from time to time in the Accumulations Account for a Series may be invested in Eligible Investments. Amounts so required to be deposited in an Accumulations Account on account of Interest shall be reduced to appropriately account for any investment income received by the related Co-Owner in respect of amounts on deposit therein or from Eligible Investments in respect of amounts deposited to such Accumulations Account.

The Required Remittance Amount on any day for any Series will depend upon the debt service requirements and related expenses of the related Co-Owner on such day which will in turn be dependent upon whether the Series is in its Revolving Period, Accumulation Period or Amortization Period.

### **Remittances to the Trust**

Remittances to the Trust in respect of each Series held by the Trust shall be made at the time and in the amounts described below. Any terms used below which are defined with reference to a particular Series shall in all instances reference the same Series and will apply to each Series held by the Trust.

### **Revolving Period**

During each Reporting Period occurring during the Revolving Period, the Required Remittance Amount shall be an amount equal to:

- (a) if CIBC maintains the High Rating,
  - (i) on the related Transfer Date, the lesser of (x) the Ownership Income Limitation (less the aggregate Interest which has accrued during such Reporting Period) in respect of such Reporting Period; and (y) the Additional Funding Expenses for such Reporting Period plus any Unpaid Additional Funding Expenses; and
  - (ii) on any Interest Payment Date occurring during such Reporting Period, the aggregate Interest which has accrued from and including the previous Interest Payment Date to but excluding such Interest Payment Date plus any Unpaid Interest Payments;
- (b) if CIBC maintains the Middle Rating,
  - (i) on the related Reporting Day, the lesser of (x) the Ownership Income Limitation in respect of such Reporting Period; and (y) the sum of (A) the Additional Funding Expenses for such Reporting Period plus any Unpaid Additional Funding Expenses; and (B) the aggregate Interest which has accrued during such Reporting Period (less the amount of Interest which has accrued during such Reporting Period as specified in clause (ii) below) plus any Unpaid Interest Payments; and
  - (ii) on any Interest Payment Date occurring during such Reporting Period, the aggregate Interest which has accrued from the first day of such Reporting Period to but excluding the Interest Payment Date; and
- (c) if CIBC's rating falls below the Middle Rating, the Partial Commingling Condition is met and CIBC has a rating from DBRS of at least "BBB (low)" or "R-2 (low)", if DBRS is a Rating Agency, on each Business Day occurring during such Reporting Period, the aggregate Collections and Transfer Deposits to which the Trust is entitled on such Business Day in accordance with the Pooling and Servicing Agreement and the related Series Purchase Agreement until the amount deposited to the Accumulations Account during such Reporting Period (without taking into account any deposits thereto or withdrawals therefrom on such day) equals the amount specified in clause (b) above in respect of such Reporting Period.

## Accumulation Period

Unless an Amortization Period has commenced, the Revolving Period will end and the Accumulation Period will begin on a date stipulated in the Series Purchase Agreement (and set out in the applicable pricing supplement) or such earlier or later day (the “**Accumulation Commencement Day**”) declared as such by the Financial Services Agent as providing sufficient time to accumulate Collections sufficient to repay all amounts owing under the Notes and all accrued Series Interest and Additional Funding Expenses by the Targeted Principal Distribution Date based on (i) the expected monthly Ownership Allocable Collections on account of principal in respect of the Ownership Interest assuming a principal payment rate on the Accounts equal to the lowest monthly principal payment rate on the Accounts for the preceding 12 months; and (ii) the amount of Excess Collections in respect of each other Series expected to be available to be applied; provided that the Accumulation Commencement Day may be changed at any time if the Rating Agency Condition is satisfied.

During each Reporting Period occurring during the Accumulation Period, the Required Remittance Amount shall be an amount equal to:

- (a) if CIBC maintains the High Rating,
  - (i) on the related Transfer Date, the lesser of (x) the Ownership Income Limitation (less the aggregate Interest which has accrued during such Reporting Period) in respect of such Reporting Period; and (y) the Additional Funding Expenses for such Reporting Period plus any Unpaid Additional Funding Expenses;
  - (ii) on any Interest Payment Date occurring during such Reporting Period, the aggregate Interest which has accrued from and including the previous Interest Payment Date to but excluding such Interest Payment Date plus any Unpaid Interest Payments; and
  - (iii) on the related Reporting Day, an amount equal to the Monthly Accumulation Principal Amount for such Reporting Period;
- (b) if CIBC maintains the Middle Rating,
  - (i) on the related Reporting Day, the lesser of (x) the Ownership Income Limitation in respect of such Reporting Period; and (y) the sum of (A) the Additional Funding Expenses for such Reporting Period plus any Unpaid Additional Funding Expenses; (B) the aggregate Interest which has accrued during such Reporting Period (less the amount of Interest which has accrued during such Reporting Period as specified in clause (ii) below) plus any Unpaid Interest Payments; and (C) the Monthly Accumulation Principal Amount for such Reporting Period;
  - (ii) on each Interest Payment Date occurring during such Reporting Period, the aggregate Interest which has accrued from the first day of such Reporting Period to but excluding the Interest Payment Date; and
  - (iii) on the related Reporting Day, an amount equal to the Monthly Accumulation Principal Amount for such Reporting Period (to the extent not deposited pursuant to clause (b)(i)(C) above); and
- (c) if CIBC’s rating falls below the Middle Rating and CIBC has a rating from DBRS of at least “BBB (low)” or “R-2 (low)”, if DBRS is a Rating Agency, on each Business Day occurring during such Reporting Period, the aggregate Collections and Transfer Deposits to which the Trust is entitled on such Business Day in accordance with the Pooling and Servicing Agreement and the related Series Purchase Agreement until the amount deposited to the Accumulations Account during such Reporting Period (without taking into account any deposits thereto or withdrawals therefrom on such day) equals the amount specified in clause (b) above in respect of such Reporting Period.

At any time CIBC's ratings from DBRS are lower than "BBB (low)" and "R-2 (low)", if DBRS is a Rating Agency, the Servicer (or, in the absence thereof, the Custodian) shall deposit Collections (including, for greater certainty, Deemed Collections) into the Collection Account not later than the second Business Day after the Date of Processing thereof, or earlier to the extent reasonably possible, and shall deposit Transfer Deposits into the Collection Account on the day that such funds are to be deposited under the Pooling and Servicing Agreement and the related Series Purchase Agreement in an amount equal to the aggregate Collections and Transfer Deposits to which the Trust is entitled on each day in respect of the applicable Series.

### **Amortization Period**

Unless otherwise set out in the applicable pricing supplement, the occurrence of one or more of the following events will constitute an "**Amortization Event**" in respect of a Series:

- (a) except on any Business Day during the Revolving Period where the circumstances described in clauses (i) and (ii) in paragraph (b) below are applicable, the Seller fails to make any remittance, transfer or deposit required in respect of such Series and such failure continues for a period of five Business Days after the delivery by the Custodian or the Issuer Trustee of written notice thereof to the Seller;
- (b) on any Business Day during the Revolving Period (i) the Servicer is required pursuant to the Pooling and Servicing Agreement to deposit Collections and Deemed Collections into the Collection Account not later than the second Business Day after the Date of Processing thereof, (ii) the Servicer continues to commingle excess Collections, Deemed Collections and Transfer Deposits as permitted by the Pooling and Servicing Agreement; and (iii) the Seller fails to make any remittance, transfer or deposit required in respect of such Series and such failure continues for a period of five Business Days;
- (c) the Seller fails to observe or perform any covenant or agreement contained in the Pooling and Servicing Agreement or the related Series Purchase Agreement, if such failure has a material adverse effect on the ability of the Issuer to satisfy its obligations under its Funding Commitments and continues unremedied for a period of 60 days after delivery by the Custodian or the Issuer Trustee of written notice thereof to the Seller;
- (d) any representation or warranty made by the Seller in the Pooling and Servicing Agreement (other than the representations and warranties relating to the Visa Manual and the Visa Service and License Agreements, the Mastercard Rules and the Mastercard Service and License Agreements, or the by-laws or regulations of any other similar entity or organization relating to the Credit Card Accounts and any representations and warranties which may be remedied by the Seller in a manner specified therein) or the related Series Purchase Agreement is found to have been incorrect when made, or any information required to be given by the Seller is found to have been incorrect when given, and such incorrect representation, warranty or information has a material adverse effect on the ability of the Issuer to satisfy its obligations under its Funding Commitments and continues to be incorrect or unremedied for a period of 60 days after delivery by the Custodian or the Issuer Trustee of written notice thereof to the Seller;
- (e) certain proceedings or steps are taken by or against the Seller for the dissolution, liquidation or winding-up of the Seller or relief from applicable insolvency laws or the appointment of a receiver, liquidator or other Person with similar powers with respect to the Seller, unless such proceeding or step is being contested in good faith by the Seller;
- (f) a Servicer Termination Event has occurred;
- (g) the average Ownership Finance Charge Receivables during the three preceding Reporting Periods is less than the sum of (i) the Series Interest and Additional Funding Expenses (less any investment income received in respect of amounts on deposit in the Accumulations Account and the applicable

Pre-Accumulation Available Amount, if any); (ii) the Series Pool Losses, and (iii) the Contingent Successor Servicer Amount, in each case, averaged over such three preceding Reporting Periods;

- (h) a Related Event of Possession has occurred and is continuing, the Indenture Trustee has declared the amounts owing under the related Notes to be due and payable and such declaration has not been rescinded and annulled;
- (i) on any Reporting Day for a Reporting Period occurring during the Accumulation Period, the excess of (i) Ownership Finance Charge Receivables; over (ii) the Series Pool Losses for such Reporting Period is less than the Series Interest and Additional Funding Expenses (less any investment income received in respect of amounts on deposit in the Accumulations Account and the applicable Pre-Accumulation Available Amount, if any), in each case, for such Reporting Period;
- (j) on any Calculation Day during the Revolving Period, the Cumulative Cash Reserve Draws exceed 3.5% of the Initial Invested Amount and the stated dollar amount of any Additional Ownership Interest acquired by the Trust pursuant to the related Series Purchase Agreement;
- (k) on any Calculation Day following the commencement of the Accumulation Period, the Cumulative Cash Reserve Draws exceeds 2% of the Initial Invested Amount;
- (l) the Pool Balance is less than the Required Pool Amount, on any Reporting Day and such deficiency has not been remedied in accordance with the Pooling and Servicing Agreement;
- (m) on the Targeted Principal Distribution Date of such Series, the balance on deposit in the Accumulations Account is insufficient to satisfy in full the interest and principal due on the related Notes;
- (n) the right of the Seller to participate in the credit card program operated by any entity or organization under whose regulations any credit cards were issued in connection with the Accounts has been terminated, unless such termination is being contested by the Seller in good faith; or
- (o) on any Business Day during the Revolving Period (i) the Servicer is required pursuant to the Pooling and Servicing Agreement to deposit Collections and Deemed Collections into the Collection Account not later than the second Business Day after the Date of Processing thereof, (ii) the Servicer continues to commingle excess Collections, Deemed Collections and Transfer Deposits as permitted by the Pooling and Servicing Agreement, and (iii) (x) 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 for such Business Day and such deficiency has not been remedied by the addition of Additional Accounts pursuant to the Pooling and Servicing Agreement within ten days after the Business Day on which such deficiency is identified by the Servicer, or (y) the Servicer fails to deliver to DBRS, if DBRS is a Rating Agency, the officer’s certificate described in paragraph (c) of the definition of “Partial Commingling Condition” on or before the date that is five Business Days after the date such delivery is required to be made (a “**Partial Commingling Amortization Event**”).

No other event, including any regulatory action by the Office of the Superintendent of Financial Institutions (Canada), shall cause an Amortization Event to occur.

An Amortization Period will commence (i) in the case of Amortization Events described in paragraphs (a), (c), (d) or (f) above, only if, after the applicable grace period, if any, the Issuer Trustee or the Financial Services Agent, as agent on behalf of the Issuer Trustee, provides a written notice to the Servicer; and (ii) automatically upon the occurrence of any other Amortization Events (the “**Amortization Commencement Day**”). An Amortization Event may be rescinded and annulled by the Trust upon passage of a resolution of the holders of the Notes holding a majority of the aggregate principal amount thereof authorizing the Trust to do so. Otherwise, the Trust is required to deliver the notice specified in clause (i) above unless the Trust is satisfied that the Amortization Event occurred as a result of inadvertence or error on the part of the Servicer and is capable of timely rectification without having a material adverse effect on the holders of the Notes. In the latter event, the Amortization Event may be rescinded and annulled by the

Trust unless the holders of the Notes holding a majority of the aggregate principal amount thereof pass a resolution requiring the Trust to deliver such notice. The Servicer will provide the Rating Agencies with prior written notice of any rescission or annulment of an Amortization Event by the Trust, except in the case of DBRS, if DBRS is a Rating Agency, in which case, the Servicer will provide DBRS with ten Business Days' prior written notice of any such rescission or annulment. The Servicer, upon learning of the occurrence of an Amortization Event described in paragraph (o) above, will notify the Seller, the Custodian, the Co-Owner of each Series, any Agent of each Series, any Entitled Party for each Series and each Rating Agency.

On each Business Day during an Amortization Period, the Servicer will deposit to the Accumulations Account all Collections, Transfer Deposits and Excess Collections to which the Trust is entitled on such Business Day pursuant to the Pooling and Servicing Agreement and the applicable Series Purchase Agreement.

## **CREDIT ENHANCEMENT**

### **General**

The Credit Enhancement available in respect of each Series may consist of internal Credit Enhancement, usually in the form of cash deposited in a Series Account, or external Credit Enhancement in the form of an Additional Property Agreement, in each case, made available by way of Series Enhancement Draws in circumstances described in the related Series Purchase Agreement.

### **Cash Reserve Accounts**

The Credit Enhancement available in respect of each Series held by the Trust will consist of a Cash Reserve Account unless otherwise set out in the applicable pricing supplement. The purpose of the Cash Reserve Accounts is, in part, to provide an additional source of funds to ensure the payment of interest and expenses attributable to the related Notes if Collections are insufficient and in the event of any related Series Pool Losses. Any terms used below which are defined with reference to a particular Series shall in all instances reference the same Series and will apply to each Series held by the Trust.

On each Transfer Date from and after the occurrence and during the continuance of a Cash Reserve Event and during the Pre-Accumulation Reserve Period in respect of a Series, the Servicer will deposit to the Cash Reserve Account for such Series an amount equal to the lesser of (a) the amount, if any, by which the Ownership Finance Charge Receivables exceeds the sum of the Ownership Income Requirement and the Series Pool Losses, in each case, for such Series for the related Reporting Period, and (b) the sum of (i) during the Pre-Accumulation Reserve Period in respect of such Series, the amount calculated pursuant to clause (b) of the definition of "Required Cash Reserve Amount"; and (ii) after the occurrence and during the continuance of a Cash Reserve Event in respect of such Series the amount calculated pursuant to clause (a) of the definition of "Required Cash Reserve Amount" (taking into account amounts on deposit in the Cash Reserve Account for such Series only in respect of such Cash Reserve Event prior to such Transfer Date).

On each Transfer Date, if and to the extent necessary, the Trust shall instruct the Custodian to withdraw from amounts deposited to the Cash Reserve Account in respect of a Cash Reserve Event (but not in respect of a Pre-Accumulation Reserve Period) and deposit to the Accumulations Account, an amount equal to the Cash Reserve Draw. Such amounts will be applied on account of that portion of the Cumulative Deficiency attributable to, (i) first, the excess, if any, of the Ownership Income Requirement over the Ownership Income Limitation, in each case, for such Reporting Period; and (ii) second, the excess, if any, of the Series Pool Losses over the Ownership Finance Charge Receivables, in each case, for the Reporting Period.

On the earliest of (i) the Reporting Day on which the Invested Amount has been reduced to zero; (ii) the Calculation Day on which a Cash Reserve Event ceases to exist; and (iii) the Series Termination Date, the Trust shall instruct the Custodian to release the balance, if any, remaining in the Cash Reserve Account (and deposited thereto in respect of a Cash Reserve Event) to the Seller in full satisfaction of any obligation to the Seller in respect of such amounts deposited therein. If at any time the Available Cash Reserve Amount exceeds the Required Cash Reserve Amount, the Trust shall instruct the Custodian to immediately release such excess to the Seller.



The Seller is entitled to all income from and in respect of the Cash Reserve Account provided that such income shall be deposited therein and held and applied as set out above.

### **Pre-Accumulation Reserve Period**

The Cash Reserve Account for each Series is also being used to fund any shortfall in payment on the related Notes on the related Targeted Principal Distribution Date due to any difference between the interest rate of the Notes and the rate of interest earned on any amounts that are on deposit in the Accumulations Account for such Series during the Accumulation Period and any Eligible Investments in respect of amounts deposited to such Accumulations Account during the Accumulation Period. Amounts that are on deposit from time to time in the Cash Reserve Account for a Series may be invested in Eligible Investments.

During the Pre-Accumulation Reserve Period in respect of a Series, the related Required Cash Reserve Amount will be increased by an amount stipulated in the related Series Purchase Agreement (and set out in the applicable pricing supplement as the “Increase in Required Cash Reserve Amount on commencement of Pre-Accumulation Reserve Period”).

On the Targeted Principal Distribution Date for a Series, the Trust shall instruct the Custodian to withdraw all amounts deposited to the related Cash Reserve Account in respect of the Pre-Accumulation Reserve Period and deposit such amounts to the related Accumulations Account for distribution as set out below under “**Application of Proceeds**”.

### **APPLICATION OF PROCEEDS**

Unless otherwise set out in the applicable pricing supplement, on each Transfer Date, the Trust will (except as otherwise indicated below) apply all amounts on deposit in the Accumulations Account for any Series held by the Trust on such date (other than those amounts deposited in the Accumulations Account on account of (i) Interest if such Transfer Date is not an Interest Payment Date; or (ii) the Monthly Accumulation Principal Amount if such Transfer Date is not a Principal Payment Date but including all investment income received by the Trust from amounts deposited to the Accumulations Account) in the following order of priority:

- (a) in payment or reimbursement, on a *pro rata* basis, of all Additional Funding Expenses in respect of the Series (in the order of priority that each appears in the definition thereof) which are due and owing by the Issuer for the related Reporting Period (plus any Unpaid Additional Funding Expenses);
- (b) from and after the occurrence and during the continuance of a Related Event of Possession, in payment or reimbursement of all costs, charges and expenses of and incidental to the appointment of a receiver in respect of the Related Asset Interests (including legal fees and disbursements on a solicitor and his own client basis) and the exercise by such receiver or the Indenture Trustee of all or any of the powers granted to them under the Trust Indenture, including the reasonable remuneration of such receiver or any agent or employee of such receiver or any agent of the Indenture Trustee and all outgoings properly paid by such receiver or the Indenture Trustee in exercising their powers;
- (c) in payment, on a *pro rata* basis, of all Interest (plus any Unpaid Interest Payments) which has accrued and is due and payable in the related Reporting Period by the Trust in accordance with the related Senior Notes;
- (d) in payment, on a *pro rata* basis, of all Interest (plus any Unpaid Interest Payments) which has accrued and is due and payable in the related Reporting Period by the Trust in accordance with the related Subordinated Notes in accordance with the ranking specified in the related Series Purchase Agreement or Series Supplement (and which may be set out in the applicable pricing supplement);
- (e) on each Principal Payment Date, in payment, on a *pro rata* basis, of any amounts owing in respect of principal on the related Senior Notes;

- (f) on each Principal Payment Date, in payment, on a *pro rata* basis, of any amounts owing in respect of principal on the related Subordinated Notes in accordance with the ranking specified in the related Series Purchase Agreement or Series Supplement (and which may be set out in the applicable pricing supplement);
- (g) in or toward the payment of all other amounts properly incurred and owing by the Trust in respect of the Series and not otherwise specified above; and
- (h) subject to the next following paragraph, the balance shall be held by the Trust in the Accumulations Account for the Series, unless invested in Eligible Investments, and applied towards any payments required to be made on the next Transfer Date in accordance with the foregoing.

On the earlier of (i) the first Reporting Day on which the Invested Amount of the Series has been reduced to zero; and (ii) the related Series Termination Date, the balance, if any, remaining in the Accumulations Account will be paid to the Financial Services Agent as a financial services fee (inclusive of any applicable goods and services or harmonized sales tax).

If the Trust enters into an interest rate swap or a currency swap, or both, in connection with a Series of Notes, the applicable pricing supplement may set out a priority of payments which differs from the priority of payments set out above in this “**Application of Proceeds**” section.

## **SERVICING**

### **Servicing of the Receivables**

Under the Pooling and Servicing Agreement, CIBC has been appointed as the Servicer of the Account Assets. The Pooling and Servicing Agreement requires that the Servicer service the Account Assets as agent of the Custodian, the Seller and the Co-Owners, collect all payments due in respect of the Account Assets, maintain records, make all required remittances, withdrawals, transfers and deposits with respect to the Accounts and the Receivables, make calculations and adjustments in respect of each Series in accordance with the Pooling and Servicing Agreement and each Series Purchase Agreement and report on such calculations and adjustments to the Custodian, each Co-Owner and to the Seller. The Servicer may, in the ordinary course of its business, delegate some or all of its duties as Servicer to any Person which agrees to perform those duties in accordance with the Pooling and Servicing Agreement. Such delegation will not relieve the Servicer of its liability and responsibility for the performance of those duties and will not constitute a resignation of the Servicer. In servicing the Account Assets, the Servicer is to use substantially the same servicing procedures, offices and employees as it uses in connection with servicing its other consumer credit card receivables.

### **Reporting**

No later than the fifth Business Day after the Calculation Day, the Servicer must provide to each of the Seller, the Custodian and any other Person specified in any Series Purchase Agreement a report in respect of the related Series containing the information required by the Series Purchase Agreement. It is intended that such information will be posted monthly under the Issuer’s profile on [www.sedar.com](http://www.sedar.com). The Servicer must also provide an officer’s certificate to the effect that (i) no insolvency or winding-up proceedings by or, to its knowledge, against the Servicer have been taken with respect to the Servicer or, if such proceedings have been taken, specifying the same; and (ii) no Servicer Termination Event has occurred or, if such an event has occurred, specifying the same. The Servicer must also provide to the Custodian, the Seller and each Person so specified in the related Series Purchase Agreement, no less frequently than annually, an officers’ certificate of the Servicer confirming compliance with its duties set out under the Pooling and Servicing Agreement in respect of each Series.

### **Servicing Compensation and Payment of Expenses**

CIBC, as Seller and Servicer, has agreed that the consideration received by it for the Ownership Interests, as and when sold by CIBC, constitutes compensation in full for services rendered in its capacity as Servicer and reimbursement of expenses incurred by it in such capacity. Any Successor Servicer will be entitled to receive a

servicing fee and reimbursements of its expenses on each Calculation Day, which fee and reimbursements and any costs and expenses incurred by the Custodian or the Successor Servicer in effecting the succession will be the sole responsibility of CIBC, and the Co-Owners shall not bear any liability with respect thereto.

### **Servicer Termination Events**

A “**Servicer Termination Event**” shall be deemed to have occurred in respect of each Series if one or more events specified as such in a Series Purchase Agreement has occurred and is continuing, and has not been waived by the requisite number of Co-Owners specified in such Series Purchase Agreement. In the Series Purchase Agreement relating to each Series held the Trust, unless otherwise set out in the applicable pricing supplement, the following will be specified as “**Servicer Termination Events**”:

- (a) except on any Business Day during the Revolving Period where the circumstances described in clauses (i) and (ii) in paragraph (b) below are applicable, the Servicer fails to make any remittance, transfer or deposit required in respect of the Series and such failure continues for a period of five Business Days after the delivery by the Custodian or the Issuer Trustee of written notice thereof to the Servicer;
- (b) on any Business Day during the Revolving Period (i) the Servicer is required pursuant to the Pooling and Servicing Agreement to deposit Collections and Deemed Collections into the Collection Account not later than the second Business Day after the Date of Processing thereof, (ii) the Servicer continues to commingle excess Collections, Deemed Collections and Transfer Deposits as permitted by the Pooling and Servicing Agreement, and (iii) the Servicer fails to make any remittance, transfer or deposit required in respect of the Series and such failure continues for a period of five Business Days;
- (c) the Servicer fails to observe or perform any covenant or agreement contained in the Pooling and Servicing Agreement or the related Series Purchase Agreement, if such failure has a material adverse effect on the ability of the Issuer to satisfy its Funding Commitments in respect of the Series and continues unremedied for a period of 60 days after delivery by the Custodian or the Issuer Trustee of written notice thereof to the Servicer;
- (d) any representation or warranty made by the Servicer in the Pooling and Servicing Agreement or the related Series Purchase Agreement is found to have been incorrect when made, or any information required to be given by the Servicer is found to have been incorrect when given, and such incorrect representation, warranty or information has a material adverse effect on the ability of the Issuer to satisfy its Funding Commitments in respect of the Series and continues to be incorrect or unremedied for a period of 60 days after delivery by the Custodian or the Issuer Trustee of written notice thereof to the Servicer; or
- (e) subject to certain permitted reorganizations, the occurrence of certain events of bankruptcy, insolvency, receivership, liquidation or winding-up with respect to the Servicer.

A Servicer Termination Event may be waived by the Trust upon passage of a resolution of the holders of the related Notes holding a majority of the aggregate principal amount thereof authorizing the Trust to do so. Otherwise, the Trust is required to deliver the Co-Owner Direction specified below under “**Servicer Termination**” unless the Trust is satisfied that the Servicer Termination Event occurred as a result of inadvertence or error on the part of the Servicer and is capable of timely rectification without having a material adverse effect on the holders of the related Notes. In the latter event, the Servicer Termination Event may be waived by the Trust unless the holders of the related Notes holding a majority of the aggregate principal amount thereof pass a resolution requiring the Trust to deliver the notice of termination. The Trust will provide the Rating Agencies with prior written notice of any waiver by the Trust of a Servicer Termination Event, except in the case of DBRS, if DBRS is a Rating Agency, in which case, the Servicer will provide DBRS with ten Business Days’ prior written notice of any waiver by the Trust of a Servicer Termination Event.

On each Business Day, from and after the occurrence and during the continuance of a Servicer Termination Event, the Servicer (or, in the absence thereof, the Custodian) will transfer from the Collection Account to the Accumulations Account for the Series all Collections and Transfer Deposits to which the Trust is entitled on such Business Day pursuant to the Pooling and Servicing Agreement and the related Series Purchase Agreement.

### **Servicer Termination**

Upon the occurrence of a Servicer Termination Event, the Co-Owners may, by Co-Owner Direction in respect of all Series, elect to give notice to the Servicer with respect to the termination of the Servicer. The Co-Owners may, by Co-Owner Direction in respect of all Series, elect to give notice to, or direct the Custodian to give notice to, the Servicer terminating all rights and obligations of the Servicer in respect of the Accounts and the related Account Assets and direct the Custodian to, among other things, appoint a successor Servicer (the “**Successor Servicer**”), provided that the Co-Owners have notified the Rating Agencies in writing of the identity of the Successor Servicer to be appointed at least ten Business Days’ prior to such Successor Servicer’s appointment.

If a delay in obtaining a Co-Owner Direction with respect to the termination of the Servicer would be reasonably expected to have a material adverse effect on the interests of the Co-Owners, the Custodian, acting for and on behalf of the Co-Owners and the Seller, will be required, unless otherwise directed by a Co-Owner Direction or it is satisfied that the Servicer Termination Event occurred as a result of inadvertence or error on the part of the Servicer and is capable of timely rectification, to elicit offers from at least three Persons relating the assumption of the duties of Servicer. Within 15 Business Days of receipt of the last offer, the Custodian shall select a Person as the Successor Servicer, and immediately upon selection, provided that in the case of DBRS, if DBRS is a Rating Agency, the selection of such Person satisfies the Rating Agency Condition (determined by reference to DBRS only), such Person shall be appointed by the Custodian as the Successor Servicer.

Upon its appointment, the Successor Servicer will be the successor in all respects to the Servicer in respect of servicing functions under the Pooling and Servicing Agreement and will be subject to all the responsibilities, duties and liabilities relating thereto placed on the Servicer by the terms and provisions thereof (except that the Successor Servicer will not be liable for any liabilities incurred by the predecessor Servicer). All powers and authorities of the Servicer will be vested in the Successor Servicer, and the Servicer will execute and deliver all such instruments and documents and do such other acts and things as will be necessary to effect the transfer of such powers and authorities to the Successor Servicer. The Servicer shall provide all reasonable assistance to the Successor Servicer in assuming the obligations of the Servicer under the Pooling and Servicing Agreement. It shall (i) make available to the Successor Servicer without charge its computer programs, including any necessary software licences, and its electronic ledgers and other records relating to the Receivables and Accounts and its personnel engaged in the servicing of the Accounts and the Receivables and, to the extent that such records consist in whole or in part of computer programs which are used by the Servicer, the Servicer will maintain such records in transferable form and as soon as practicable following the receipt of a request from the Successor Servicer, use commercially reasonable efforts to arrange for the license or sublicense of such programs to be transferred or assigned to the Successor Servicer; (ii) deliver to the Successor Servicer all agreements, books, ledgers, invoices and other written records in its possession of or relating to the Accounts and the Receivables; and (iii) segregate, in a manner reasonably acceptable to the Successor Servicer, all cash, cheques and other instruments constituting Collections and Transfer Deposits received by it from time to time and, promptly upon receipt, remit same to the Successor Servicer duly endorsed or accompanied by duly executed instruments of transfer. Thereafter the Servicer will use reasonable efforts to co-operate with the Successor Servicer in the latter’s performance of its obligations under the Pooling and Servicing Agreement.

### **AMENDMENTS TO THE POOLING AND SERVICING AGREEMENT**

The Pooling and Servicing Agreement may be amended by the Servicer and the Seller (without obtaining the consent of the Co-Owners) to cure any ambiguity, to correct or supplement any inconsistent provision therein or to add other provisions with respect to matters or questions raised under the Pooling and Servicing Agreement which are not inconsistent with the provisions of the Pooling and Servicing Agreement; provided that such action shall not, as evidenced by an opinion of counsel, adversely affect in any material respect the interest of the Co-Owners in relation to the Ownership Interests and notice thereof shall have been given to each Co-Owner and the Rating Agencies.

The Pooling and Servicing Agreement may also be amended by the Servicer, the Seller and the Custodian (upon receipt by the Custodian of a direction of affected Co-Owners given in the same manner, on the same terms and subject to the same conditions as a Co-Owner Direction, except that such direction must be given by Series which have Unadjusted Invested Amounts as of the most recent Reporting Day that aggregate to more than 66 $\frac{2}{3}$ % of the aggregate of such Unadjusted Invested Amounts of all such affected Series), for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Pooling and Servicing Agreement or of modifying in any manner the rights of the Co-Owners or the Seller; provided, however, that no such amendment:

- (a) reduces in any manner the amount, or delay the timing, of any remittances to be made to Co-Owners or deposits of amounts to be so remitted or the amount available under any Additional Property;
- (b) changes the definition of or the manner of calculating the Invested Amount or the Unadjusted Invested Amount of the Series in respect of any Ownership Interest;
- (c) reduces the aforesaid percentage required to consent to any such amendment or reduces the percentage specified for any act provided for thereunder; or
- (d) adversely affects the rating of any Series or any Related Securities issued by an applicable Rating Agency,

in each such case, without the consent of each affected Co-Owner. The Servicer will provide the Rating Agencies with prior written notice of any such amendment to the Pooling and Servicing Agreement or a Series Purchase Agreement.

The consent of the Custodian will be required in respect of any amendments which affect the Custodian's rights, duties or immunities under the Pooling and Servicing Agreement or otherwise.

Unless specifically indicated otherwise in the Pooling and Servicing Agreement or a Series Purchase Agreement, the Servicer will provide the Rating Agencies with prior written notice of the waiver of any provision in the Pooling and Servicing Agreement or a Series Purchase Agreement, except in the case of DBRS, if DBRS is a Rating Agency, in which case, the Servicer will provide DBRS with ten Business Days' prior written notice of the waiver of any provision in the Pooling and Servicing Agreement or a Series Purchase Agreement.

## **THE TRUST INDENTURE**

### **General**

Notes may be issued from time to time in accordance with the Trust Indenture which provides for the issuance of Notes in series (each, a "**Series of Notes**") pursuant to a supplemental indenture (a "**Series Supplement**"). The aggregate principal amount of Notes that may be issued by the Issuer under the Trust Indenture is unlimited, though any particular Series of Notes may be limited as set forth in the related Series Supplement. The following summary of certain provisions of the Notes and the Trust Indenture does not purport to be complete and is qualified in its entirety by reference to all of the provisions of the Trust Indenture and the Series Supplements.

### **Indenture Trustee**

BNY Trust Company of Canada is the Indenture Trustee under the Trust Indenture. The Indenture Trustee is authorized to carry on business as a trustee in all provinces and territories of Canada. The head office of the Indenture Trustee is 6th Floor, One York Street, Toronto, Ontario, M5J 0B6.

The Indenture Trustee may resign after giving 60 days' notice in writing (or such shorter period as is acceptable to the Issuer Trustee and satisfies the Rating Agency Condition) to the Issuer Trustee and the Rating Agencies, but no such voluntary resignation will be effective until a replacement Indenture Trustee, acceptable to the Issuer Trustee, acting reasonably, and that satisfies the Rating Agency Condition has been appointed and has executed an agreement agreeing to assume the obligations of the Indenture Trustee. The Indenture Trustee is required to resign if a material conflict of interest arises in its role as Indenture Trustee pursuant to the Trust Indenture that is not eliminated for a period of 90 days after the Indenture Trustee becomes aware of such conflict and, if the Indenture Trustee does

not resign in the foregoing circumstances, any interested party may apply to the courts of the Province of Ontario for the appointment of a replacement Indenture Trustee. Noteholders may also, by Extraordinary Resolution, remove the Indenture Trustee and appoint a replacement Indenture Trustee.

### **Security and Limited Recourse**

Payments on any Series of Notes and all other obligations of the Issuer related to that Series of Notes (the “**Related Obligations Secured**”), and the performance by the Issuer of all of its other obligations under the Trust Indenture or any Series Supplement are secured under the Trust Indenture by a first charge granted by the Issuer Trustee in favour of the Indenture Trustee over the Series acquired with the proceeds of the issuance of that Series of Notes and other related assets, including the related Ownership Allocable Collections and all amounts on deposit in the related Accumulations Account and any other related Series Account and any Credit Enhancement provided in respect thereof (collectively, the “**Related Collateral**”). Each Series Supplement will provide that the Related Collateral will be held as security for the due payment of the Related Obligations Secured alone and the Related Obligations Secured will be secured solely by such Related Collateral and recourse in respect of the Related Obligations Secured will be limited to such Related Collateral.

Except in limited circumstances with respect to the Seller, Noteholders will have no recourse to, nor will there be any personal liability for the payment of principal, interest or any other amount in respect of the Notes of, the Seller, the Servicer, the Issuer Trustee (other than in its capacity as trustee of the Issuer), the Financial Services Agent, the Agents, the Note Issuance and Payment Agent, the Indenture Trustee, the beneficiaries of the Issuer, or any of their respective shareholders, agents, officers, directors, employees, successors, assigns or Affiliates, nor will Noteholders of any one Series of Notes have recourse to the Related Collateral of any other Series of Notes.

### **Certain Covenants**

The Issuer has agreed in the Trust Indenture, among other things, that it will not, except as otherwise permitted by the Indenture Trustee:

- (a) create, incur, assume or suffer to exist any encumbrance (including, without limitation, any mortgage, pledge, lien, charge, assignment, lease, hypothecation or security interest) upon or in respect of any of the Issuer’s undertaking, property or assets (including, without limitation, any Ownership Interest purchased by it), other than certain liens permitted by the Trust Indenture (the “**Permitted Liens**”) including, without limitation, the security interest granted to the Indenture Trustee pursuant to the Trust Indenture and liens or other encumbrances expressly permitted by the other Material Contracts and the Programme Agreements;
- (b) sell, transfer, exchange or otherwise dispose of any of the Issuer’s undertaking, property or assets (including, without limitation, any Ownership Interest purchased by it);
- (c) engage in any activity other than the acquisition of Asset Interests, the issuance of Notes to fund such acquisitions, related derivatives transactions, and all other activities incidental thereto, including fulfilling all of its obligations under the Programme Agreements; or
- (d) create, incur, assume or guarantee any indebtedness or make any loans or investments or provide any financial assistance with respect to any Person other than indebtedness contemplated under the Programme Agreements.

### **Related Events of Possession**

The occurrence of certain events set out in the Trust Indenture and in a Series Supplement (and which may be set out in the applicable pricing supplement) will constitute a “**Related Event of Possession**” with respect to the Related Obligations Secured, including:

- (a) the Issuer defaulting in the making of any payment in respect of the Related Obligations Secured when due; and

- (b) the occurrence of certain events of bankruptcy, insolvency, receivership, winding-up, dissolution or liquidation of the Issuer or a seizure of a substantial portion of the Related Collateral.

If a Related Event of Possession occurs and is continuing with respect to any Series of Notes, then the Indenture Trustee shall deliver written notice of such Related Event of Possession to the Trust and the Financial Services Agent, the related Credit Enhancers and the related Rating Agencies describing the Related Event of Possession which has occurred. In addition, subject to the following discussion under “**Waiver of Related Events of Possession**”, the Indenture Trustee shall declare, subject to the terms of the Trust Indenture, all or part of the Related Obligations Secured then outstanding to be immediately due and payable and the security thereby constituted for such related Obligations Secured will forthwith become enforceable. The Indenture Trustee will incur no liability by reason of making such declaration in good faith. See below under “**Powers Exercisable by Extraordinary Resolution**”.

### **Waiver of Related Events of Possession**

If, with respect to the Notes of any particular Series of Notes, the Related Obligations Secured have become due and payable, the holders of the Notes of such Series of Notes have the right and power (exercisable by Extraordinary Resolution) to instruct the Indenture Trustee to waive a Related Event of Possession arising solely from (i) a Related Event of Possession specified in the Series Supplement as being an event which may be waived pursuant to the Trust Indenture; (ii) the Trust failing to pay any of the Related Obligations Secured when they become due; or (iii) the Trust failing to perform or observe its obligations under the Trust Indenture and the Indenture Trustee will thereupon waive the Related Event of Possession upon the terms and conditions as such holders of Notes prescribe.

Subject to the provisions of the Trust Indenture relating to the duties of the Indenture Trustee, the Indenture Trustee will be under no obligation to enforce the security of the Trust Indenture, unless and until it has been indemnified and provided with sufficient funds, in each case, to its reasonable satisfaction against all actions, proceedings, claims and demand to which it may render itself liable and all costs, charges, damages and expenses which it may incur by doing so.

### **Payments and Ranking Upon Related Event of Possession**

Upon the occurrence and during the continuance of a Related Event of Possession, the Indenture Trustee shall establish and maintain one or more Related Collateral Accounts in respect of the Notes of each particular Series of Notes into which shall be deposited all Related Collections (and the proceeds of and interest on any investments permitted under the Pooling and Servicing Agreement) such that Related Collections required to be applied to the payment of Related Obligations Secured shall be segregated. All moneys standing in the Collection Account attributable to the Related Asset Interests at the time of a Related Event of Possession shall be transferred to the appropriate Related Collateral Accounts in accordance with the Pooling and Servicing Agreement and the related Series Purchase Agreement (but not to a related Series Account as provided therein). All further Related Collections and the proceeds of sale of any Related Collateral shall be deposited to the Related Collateral Account, all as determined by the Indenture Trustee, which determination is conclusive, absent manifest error. Notwithstanding the foregoing, all moneys received on account of Related Asset Interests which have been assigned to a Related Credit Enhancer pursuant to a Related Credit Enhancement Agreement shall not be deposited to a Related Collateral Account but must be remitted by the Trust or the Indenture Trustee to the Related Credit Enhancer entitled thereto.

Upon the declaration by the Indenture Trustee that a Series of Notes is immediately due and payable as a result of a Related Event of Possession, all moneys standing in a Related Collateral Account or otherwise received by the Indenture Trustee or a receiver pursuant to the foregoing shall be applied in the manner and priority as described above under “**Application of Proceeds**”.

### **Amendments to the Trust Indenture**

The Trust Indenture provides that, without the consent of any Noteholders, the Indenture Trustee, the Note Issuance and Payment Agent and the Issuer may execute indentures supplemental to the Trust Indenture, (such indentures supplemental to the Trust Indenture are each referred to as an “**Amendment**”) for certain purposes, including the following:

- (a) adding to the limitations or restrictions specified in the Trust Indenture which would not reasonably be expected to, individually or in the aggregate, materially adversely affect the rights or interests of secured creditors (including the Noteholders);
- (b) adding to the covenants of the Issuer contained in the Trust Indenture for the protection of its secured creditors (including the Noteholders) or providing for additional Related Events of Possession;
- (c) making such provisions not substantially inconsistent with the Trust Indenture as may be necessary or desirable with respect to matters or questions arising thereunder, including the making of any modifications in the form of notes (including the Notes) which do not affect the substance thereof which would not reasonably be expected to, individually or in the aggregate, materially adversely affect the rights or interests of secured creditors (including the Noteholders);
- (d) providing for altering the provisions of the Trust Indenture in respect of the exchange or transfer of notes (including the Notes); and
- (e) any other purposes considered appropriate by the Indenture Trustee which would not reasonably be expected to, individually or in the aggregate, materially adversely affect the rights or interests of secured creditors (including the Noteholders); provided that, in any case, the Rating Agency Condition shall be satisfied;

provided, however, that the Indenture Trustee or the Note Issuance and Payment Agent may, in its sole discretion, decline to enter into any such deed or supplemental indenture which may not afford to it adequate protection at such time when it becomes operative.

The Indenture Trustee will from time to time, upon receipt of a written request from the Issuer, enter into or consent to any proposed amendment, supplementation, modification, restatement or waiver of or any proposed postponement of compliance with any provision of any Programme Agreements to which it is a party or with respect to which the prior consent of the Indenture Trustee is required, which action or consent, as applicable, is to be taken or given by the Indenture Trustee without the necessity of obtaining the consent of the Noteholders or other creditors of the Issuer, if, in the opinion of the Indenture Trustee such amendment, supplementation, modification, restatement, waiver or postponement (i) is necessary or advisable in order to incorporate, reflect or comply with any legislation applicable to the parties to the Programme Agreements; or (ii) would not reasonably be expected to, individually or in the aggregate, materially, adversely affect the interest of certain creditors of the Issuer (including the Noteholders); provided that if any such amendment affects the amount or timeliness of payment to any Noteholders or is otherwise materially adversely affecting the rights and interests of any Noteholders, then, such amendment, supplementation, modification, restatement, waiver or postponement cannot be made without the receipt by the Indenture Trustee of an Extraordinary Resolution. The Indenture Trustee shall provide notice to the related Rating Agency of any such amendment or waiver. Notwithstanding the foregoing, the Indenture Trustee may decline to consent to a specified amendment, supplementation, modification, restatement or waiver of or any proposed postponement or compliance with any provision of any Programme Agreement that materially adversely affects its rights, duties or immunities under the Trust Indenture or otherwise.

### **Noteholder Meetings**

The Indenture Trustee may from time to time convene meetings of Noteholders of the Issuer and must convene a meeting upon receipt of a request from the Issuer or a request signed by the holders of not less than 51% of the aggregate principal amount of the Notes then outstanding to which the meeting relates, subject to the Indenture Trustee receiving sufficient funds and a satisfactory indemnity. If the Indenture Trustee does not give notice of a meeting within 30 days of receiving such written request (unless due to failure to receive sufficient funds or a satisfactory indemnity), the Issuer Trustee or such Noteholders, as the case may be, may convene a meeting.

A quorum for any meeting of Noteholders will consist of holders of at least 25% of the aggregate principal amount of the Notes then outstanding to which such meeting relates. If, at any such meeting, the holders of 25% of the aggregate principal amount of such Notes then outstanding to which such meeting relates are not present in person or by proxy within 30 minutes after the time appointed for the meeting, then the meeting, if convened by Noteholders,



will be dissolved or, in any other case, will be adjourned to the same day in the next calendar week that is a Business Day and no notice will be required to be given in respect of such adjourned meeting. At the adjourned meeting the Noteholders present in person or by proxy will constitute a quorum.

### **Powers Exercisable by Extraordinary Resolution**

Holders of Notes have certain powers exercisable by Extraordinary Resolution, including the power to:

- (a) require the Indenture Trustee to exercise or refrain from exercising any of the powers conferred upon it by the Trust Indenture;
- (b) sanction the release of the Issuer from its covenants and obligations under the Trust Indenture;
- (c) remove the Indenture Trustee and appoint a replacement Indenture Trustee;
- (d) subject to the provisions of the Trust Indenture, sanction any supplementation, amendment, modification, restatement or replacement of or waiver of or postponement of compliance with any provision of the Notes or of the Trust Indenture (other than a Series Supplement) which shall be agreed to by the Issuer Trustee and any modification, alteration, abrogation, compromise or arrangement of or in respect of the rights of the Noteholders against the Issuer or against the property and assets charged under the Trust Indenture whether such rights shall arise under the provisions of the Trust Indenture or otherwise;
- (e) subject to the consent of each Credit Enhancer and any other specified creditors of the Issuer who is party to a Programme Agreement, permit or direct the Indenture Trustee to sanction any supplementation, amendment, modification, restatement or replacement of, or waiver of or postponement of compliance with such Programme Agreement which would reasonably be considered to materially adversely affect the rights or interests of any secured creditors (including the Noteholders);
- (f) restrain any holder of any Note from taking or instituting any suit, action or proceedings for the recovery of amounts payable under such Note or under the Trust Indenture or for the execution of any trust or power under the Trust Indenture or for the appointment of a receiver or trustee in bankruptcy or the winding-up of the Issuer or for any other remedy under the Trust Indenture and to direct such holder of any Note to waive any Related Event of Possession on which any suit or proceeding is founded;
- (g) direct any Noteholder bringing any action, suit or proceeding to waive the Related Event of Possession in respect of which such action, suit or other proceeding has been brought;
- (h) sanction the sale, exchange or other disposition of the collateral of the Related Collateral or any part thereof for such consideration as may be specified in the Extraordinary Resolution;
- (i) appoint a committee with power and authority (subject to such limitations, if any, as may be prescribed in the Extraordinary Resolution) to exercise, and to direct the Indenture Trustee to exercise, on behalf of the Noteholders, such of the powers of the Noteholders as are exercisable by Extraordinary Resolution or other resolution as shall be included in the Extraordinary Resolution appointing the committee; and
- (j) take any other action authorized by the Trust Indenture or directed under any other Programme Agreement to be taken by Extraordinary Resolution.

Notwithstanding the foregoing, (i) no change may be made (x) to the payee of a Note, the date of maturity of a Note, the principal amount or currency of a Note, the dates upon which payments are to be made under a Note, the interest rate payable on a Note or the place of payment of a Note without the consent of the holder of such Note; or (y) the percentage specified in the definition of “Extraordinary Resolution” without the consent of all Noteholders; and

(ii) no Extraordinary Resolution may be adopted which would reasonably be expected to, individually or in the aggregate, materially adversely affect the rights or interests of certain other creditors of the Issuer or the Indenture Trustee without their consent.

### **Powers Exercisable by Extraordinary Resolution by Holders of Series of Notes**

The holders of Notes of a particular Series of Notes (or class thereof) have the power exercisable by Extraordinary Resolution, in addition to any powers exercisable by holders of Notes generally and to the exclusion of holders of the Notes of all other Series of Notes (or class of such Series of Notes), to sanction and agree to any supplementation, amendment, modification, restatement or replacement of or waiver of or postponement of compliance with any provisions of the Notes of such Series of Notes (or such class), the Trust Indenture or the Series Supplement solely affecting such Notes or affecting the holders of Notes of such Series of Notes (or such class) to a different extent than the holders of Notes of any other Series of Notes (or class of such Series of Notes), provided that such supplementation, amendment, modification, replacement, waiver or postponement would not reasonably be expected to individually or in the aggregate, materially adversely affect the rights or interests of the holders of Notes of any other Series of Notes.

All actions which may be taken and all powers which may be exercised by Extraordinary Resolution may be taken and exercised by a resolution passed by an affirmative vote of not less than 66 $\frac{2}{3}$ % of the votes at a serial meeting attended by holders of not less than 25% of the principal amount of the Notes, or the Notes of a particular Series of Notes (or class thereof), as applicable, or by a written instrument signed by the holders of not less than 66 $\frac{2}{3}$ % of the principal amount of the Notes, or the Notes of a particular Series of Notes (or class thereof), as applicable.

### **DETAILS OF THE OFFERINGS**

Each Series of Notes issued by the Issuer will evidence limited recourse, secured debt obligations of the Issuer and will be issued pursuant to a Series Supplement. Unless otherwise set out in the applicable pricing supplement, each Series of Notes will be divided into a senior class (the “**Senior Notes**”) and one or more sequentially ranked subordinated classes (the “**Subordinated Notes**”).

The Notes are issuable from time to time at the discretion of the Issuer during the period that this short form base shelf prospectus remains valid on terms determined at the time of issue in an aggregate principal amount not to exceed Cdn. \$11,000,000,000. The Notes are offered pursuant to an MTN Program, as contemplated by the National Instrument. The National Instrument permits the omission from this short form base shelf prospectus of certain variable terms of the Notes, which will be established at the time of the offering and sale of the Notes and will be included in pricing supplements, which are incorporated by reference into this short form base shelf prospectus solely for the purpose of the Notes issued thereunder. A pricing supplement containing the specific terms of any particular offering of Notes will be delivered to purchasers of such Notes together with this short form base shelf prospectus.

The specific variable terms of any offering of Notes including, where applicable and without limitation, the aggregate principal amount of Notes being offered, the issue price, the issue, delivery and maturity dates, the redemption or repayment provisions, if any, the interest rate or interest rate basis and interest payment date(s), will be established by the Trust and set forth in the applicable pricing supplement that will accompany this short form base shelf prospectus. The Trust reserves the right to set forth in a pricing supplement specific variable terms of an offering of Notes that are not within the options and parameters set forth in this short form base shelf prospectus and the terms and conditions of any interest rate swap or currency swap, or both, entered into in connection with such Notes. Reference is made to the applicable pricing supplement for a description of the specific terms of any offering of Notes, including, without limitation, the specific terms of any interest rate swap or currency swap, or both, entered into in connection with such Notes. Notes will be offered in such amounts, at such times, at such rates of discount or interest and on such other terms and conditions as the Trust may, from time to time, determine based on financing requirements, prevailing market conditions and other factors.

### **Interest**

Each class of Notes will bear interest at the rate per annum specified in the related Series Supplement (and set out in the applicable pricing supplement) and will, in each case, be payable in arrears on each Interest Payment Date

before as well as after default and judgment with interest on overdue interest at the same rate. The interest payable on each Note on each Interest Payment Date shall be calculated in the manner specified in the related Series Supplement (and set out in the applicable pricing supplement). Any interest due but not paid during any Interest Payment Date will be due on the next succeeding Interest Payment Date together with additional interest on such amount at the applicable rate of interest for the particular class of Notes. Periodic payments of interest on the Subordinated Notes will be made on each Interest Payment Date following payment in full of the interest payable on the Senior Notes on such Interest Payment Date. Periodic payment of interest on the Subordinated Notes of any lower ranked class will be made on each Interest Payment Date following payment in full of the interest payable on the Subordinated Notes of all higher ranked classes on such Interest Payment Date.

### **Repayment of Principal on the Senior Notes**

It is expected that payment in full of the principal and accrued interest on the Senior Notes will be made on the Targeted Principal Distribution Date for the related Series. No principal payments will be made to the holders of the Senior Notes until such date unless an Amortization Period has commenced. On each Transfer Date during the Amortization Period, holders of the Senior Notes will be paid a *pro rata* share of all amounts on deposit in the Accumulations Account subject to prior payment of Additional Funding Expenses and any costs incurred incidental to the appointment of a receiver from and after the occurrence and during the continuance of a Related Event of Possession in respect of the related Series of Notes.

### **Repayment of Principal on the Subordinated Notes**

It is expected that payment in full of the principal and accrued interest on the Subordinated Notes will be made on the Targeted Principal Distribution Date for the related Series. No principal payments will be made to the holders of the Subordinated Notes until such date unless an Amortization Period has commenced and the holders of the Senior Notes have first received all interest and principal to which they are entitled. Thereafter, the holders of each class of Subordinated Notes will be paid in sequence in accordance with its ranking on each Transfer Date a *pro rata* share of all amounts on deposit in the Accumulations Account subject to prior payment of Additional Funding Expenses and any costs incurred incidental to the appointment of a receiver from and after the occurrence and during the continuance of a Related Event of Possession in respect of the related Series of Notes. No principal payments on the Subordinated Notes of any lower ranked class will be made until all principal amounts payable to holders of the Subordinated Notes of all higher ranked classes have been paid in full.

## **PLAN OF DISTRIBUTION**

Pursuant to an agreement dated January 18, 2019 (the “**Dealer Agreement**”) between the Issuer and CIBC Capital Markets and such other dealers as may be selected from time to time by the Issuer (collectively, the “**Dealers**”), the Dealers are authorized as agents of the Issuer to solicit offers to purchase the Notes in all provinces and territories of Canada, directly or indirectly through other investment dealers. The Dealers may also solicit offers to purchase the Notes on a private placement basis in the United States and in any other jurisdiction where they may be lawfully offered and sold as agreed among the Issuer and the Dealers. The rate of commission payable in connection with sales by the Dealers as agents of Notes shall be as determined from time to time by mutual agreement among the Issuer and the Dealers and will be set forth in the applicable pricing supplement.

The Dealer Agreement also provides that the Notes may be purchased from time to time by any of the Dealers, as principal, at such prices as may be agreed between the Issuer and the Dealer for resale to the public at prices to be negotiated with purchasers. Such resale prices may vary during the period of distribution and from purchaser to purchaser. The Dealer’s compensation will be increased or decreased by the amount by which the aggregate price paid for the Notes by purchasers exceeds or is less than the aggregate proceeds paid by the Dealer to the Issuer. If any class of Notes is purchased by the Dealers as principal, the Dealers will be obliged to take up and pay for all of the Notes of that class being offered.

The Issuer may also offer the Notes directly to the public from time to time pursuant to any applicable statutory registration exemptions at such prices and upon such terms as may be agreed upon by the purchaser, in which case no commission will be paid to the Dealers.

Notes may be sold at fixed prices or at non-fixed prices (that is, at prices determined by reference to the prevailing price of a specified security in a specific market), at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at prices to be negotiated with purchasers. Accordingly, the price at which Notes will be offered and sold to the public may vary from purchaser to purchaser and during the period of distribution of the Notes in which case the Dealers' overall compensation will vary depending upon the aggregate price paid for the Notes by the purchasers. The rates of commission payable in connection with sales of the Notes by the Dealers will be as determined from time to time by mutual agreement of the Issuer and the Dealers.

The Issuer will have the sole right to accept offers to purchase Notes and may, in its absolute discretion, reject any proposed purchase of Notes in whole or in part. Each Dealer will have the right, in its discretion reasonably exercised, to reject any offer to purchase Notes received by it in whole or in part. The obligations of a Dealer under the Dealer Agreement may be terminated if (i) any inquiry, investigation or other proceeding is commenced or any order is issued under or pursuant to any statute of Canada or of any province or territory of Canada which, in the opinion of the Dealer, acting reasonably, prevents or materially restricts the distribution or trading in the Notes, (ii) there shall occur any (actual, anticipated, contemplated or threatened) material change or change in a material fact (or should the Dealer become aware of any undisclosed material fact) in respect of the business, assets or liabilities of the Issuer or the Seller which in the opinion of the Dealer, acting reasonably, would be expected to have a significant adverse effect on the market price or value of the Notes, (iii) there should develop, occur or come into effect or existence any occurrence of national or international consequence or any action, government law or regulation or other occurrence of any nature whatsoever which in the opinion of the Dealer, acting reasonably, seriously adversely affects, or would be expected to seriously adversely affect, the financial markets or the business, operations or affairs of the Trust, (iv) there shall occur or come into effect any significant adverse change in the financial markets which, in the sole opinion of the Dealer, acting reasonably, would be expected to have a material adverse effect on the market price or value of the Notes, or (v) certain other stated events occur.

The Notes will not be listed on any securities exchange.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, (the "**1933 Act**") or under any state securities laws and may not be offered, sold or delivered in the United States (as defined in Regulation S under the 1933 Act) or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the 1933 Act) except in certain transactions exempt from the registration requirements of the 1933 Act, including, if contemplated in the applicable pricing supplement, transactions under Rule 144A under the 1933 Act.

Each issue of Notes will be a new issue of securities with no established trading market. In connection with any offering of Notes, the Dealers may, subject to the foregoing, over-allot or effect transactions that stabilize or maintain the market price of the Notes offered at a level above that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time. Any Dealers to or through whom Notes are sold may make a market in the Notes, but such Dealers will not be obligated to do so and may discontinue any market making at any time without notice. No assurance can be given that a trading market in the Notes of any issue will develop or as to the liquidity of any trading market for the Notes.

CIBC, as Note Issuance and Payment Agent and Financial Services Agent for the Issuer, will be performing certain financial services for and on behalf of the Issuer pursuant to agreements with the Issuer, as more fully described herein. CIBC Capital Markets is a wholly owned subsidiary of CIBC. Furthermore, CIBC Capital Markets will be actively involved in the structuring of the Notes, the decision to distribute the Notes and the terms of such distribution. As a result of all such factors, the Issuer may be considered a "connected issuer" of CIBC Capital Markets within the meaning of applicable securities legislation. Any decision by CIBC Capital Markets to underwrite a portion of the Notes will be made independently of CIBC. As described under "Use of Proceeds" below, the aggregate proceeds from any offering will be used by the Issuer to purchase an Ownership Interest from CIBC.

CIBC has agreed to reimburse the Dealers for certain expenses and to indemnify each Dealer against certain liabilities.

## BOOK ENTRY REGISTRATION

Unless otherwise specified in the applicable pricing supplement, the Notes forming part of each Series of Notes will be represented by one or more fully registered global Notes held by, or on behalf of, the Related Clearing Agency, as custodian, and registered in the name of the Related Clearing Agency or its nominee, except in the limited circumstances described herein. Registration of ownership and transfers of beneficial interests in the global Notes (such beneficial interests being referred to herein as “**Book-Entry Notes**”) will be made only through the depository service of the Related Clearing Agency. Except as described herein, no purchaser of a Book-Entry Note will be entitled to a definitive certificate or other instrument from the Issuer or the Related Clearing Agency evidencing that purchaser’s beneficial interest, and no holder of a Book-Entry Note (a “**Book-Entry Note Owner**”) will be shown on the records maintained by the Related Clearing Agency, except through book entry accounts of a participant in the depository system of the Related Clearing Agency (a “**Participant**”) acting on behalf of the Book-Entry Note Owner.

Transfers of Book-Entry Notes will be effected through records maintained by the Related Clearing Agency or its nominee (with respect to interests of Participants) and on the records of Participants (with respect to Persons other than Participants). Persons who are not Participants, but who desire to purchase, sell or otherwise deal with their Book-Entry Notes, may do so only through Participants. The ability of a Book-Entry Note Owner to pledge its Book-Entry Note or otherwise take action with respect thereto (other than through a Participant) may be limited due to lack of a physical certificate.

Unless Notes in fully registered certificated form (“**Definitive Notes**”) are issued, Book-Entry Note Owners will not be recognized by the Indenture Trustee as Noteholders. All references herein or in the Trust Indenture or in the Series Supplement to payments, notices, reports and statements to, or actions by, Noteholders will refer to the same made with respect to or by the Related Clearing Agency or its nominee, as the case may be, as the registered holder of the Notes upon instructions of a requisite number of Book-Entry Note Owners acting through Participants.

Definitive Notes will be issued to Book-Entry Note Owners or their nominees other than the Related Clearing Agency or its nominee only if (i) the Issuer Trustee advises the Indenture Trustee and the Note Issuance and Payment Agent that the Related Clearing Agency is no longer willing or able to properly discharge its responsibilities as depository with respect to the Notes and the Related Clearing Agency is unable to locate a qualified successor depository; (ii) the Issuer Trustee, acting in furtherance of an Extraordinary Resolution, advises the Indenture Trustee and the Note Issuance and Payment Agent that it elects to terminate the use of the Related Clearing Agency depository system with respect to the Notes; or (iii) after the occurrence of a Related Event of Possession, Book-Entry Note Owners representing in aggregate more than 50% of the outstanding principal amount of the affected Notes advise the Indenture Trustee and the Note Issuance and Payment Agent through the Related Clearing Agency and the Participants in writing, that the continuation of a book-entry system through the Related Clearing Agency is no longer in the best interests of Book-Entry Note Owners.

Upon the occurrence of any of the events described in the immediately preceding paragraph, the Note Issuance and Payment Agent is obliged to notify all Book-Entry Note Owners, through the Related Clearing Agency depository system, of the availability of Definitive Notes. Upon surrender by the Related Clearing Agency of the relevant Book-Entry Notes and instructions from the Related Clearing Agency for re-registration, the Issuer will issue Definitive Notes and thereafter the Indenture Trustee, the Issuer Trustee, the Financial Services Agent and the Note Issuance and Payment Agent will recognize the registered Noteholders of such Definitive Notes as the Noteholders under the Trust Indenture. Payments of principal, interest and other amounts with respect to the Notes will thereafter be made in accordance with the procedures set out in the Trust Indenture directly to Noteholders in whose names the Definitive Notes were registered at the close of business on the applicable record date. Such payments will be made by cheque mailed to the address of such Noteholder as it appears on the register maintained by the Note Issuance and Payment Agent. The final payment on any Note, however, will be made only upon presentation and surrender of such Definitive Note at the office or agency specified in the Trust Indenture.

If Definitive Notes have been issued and thereafter the Note Issuance and Payment Agent advises the Issuer Trustee of the availability of Book-Entry Notes in regard to such Notes, the Note Issuance and Payment Agent and the Issuer Trustee, acting in furtherance of an Extraordinary Resolution, will agree to allow for the re-registration of such Definitive Notes as Book-Entry Notes and the Note Issuance and Payment Agent will forthwith deliver notice thereof to each registered holder of such Notes. Upon surrender by any such Noteholder of its Definitive Note accompanied by instructions for re-registration of the Note as a Book-Entry Note, such Note will be re-issued as a Book-Entry Note.

## **USE OF PROCEEDS**

The Issuer will use all of the proceeds of the offering of each Series of Notes to finance the purchase of an Ownership Interest pursuant to the Pooling and Servicing Agreement and the related Series Purchase Agreement.

## **LEGAL PROCEEDINGS**

There are no legal proceedings currently underway or threatened against the Issuer.

## **INVESTMENT CONSIDERATIONS**

Among the matters relating to the Notes that a prospective investor should carefully consider before investing in Notes, in addition to any matters set forth in the relevant pricing supplement, are the following investment considerations:

### **It May Not be Possible to Find a Purchaser for Notes**

There is currently no trading market for the Notes and neither the Trust, the Promoter, nor any investment dealer can assure that one will develop. As a result, it may not be possible to resell Notes, or it may only be possible to do so at a substantial loss. None of the Trust, the Promoter or any investment dealer intends to apply for the inclusion of the Notes on any exchange or automated quotation system. A trading market for the Notes may not develop. If a trading market does develop, it might not continue or it might not be sufficiently liquid to allow for the resale of any Notes. The secondary market for asset-backed securities at times has experienced reduced liquidity. Any period of illiquidity or conditions that may lead to illiquidity in the future may adversely affect the market value of the Notes.

### **Recessionary Economic Conditions and Loss and Delinquency Experience**

During periods of economic recession, high unemployment, increased mortgage defaults and personal bankruptcy rates and low consumer and business confidence levels, credit card activity generally declines and delinquency and loss rates generally increase, resulting in a decrease in the amount of collections, including with respect to finance charges. These changes in credit card activity, delinquency and loss rates and the attendant reductions in the amount of collections with respect to finance charges, may be material. Concerns over the availability and cost of credit, increased mortgage defaults and personal bankruptcy rates, declining real estate values and geopolitical issues may contribute to increased volatility and diminished expectations for the economy. These factors, combined with volatile oil prices, declining business and consumer confidence levels and increased unemployment, may precipitate a recession, which generally results in declines in credit card activity and adverse changes in payment patterns.

The Issuer cannot predict how or when these or other factors will affect repayment patterns or credit card activity and, consequently, the timing and amount of payments on, and the market value of, the Notes could be affected.

### **Limited Recourse**

The Notes comprising each Series of Notes will represent secured obligations of the Issuer with recourse limited to the Related Collateral. The Issuer is a special purpose entity with no independent business activities other than acquiring and financing the purchase of co-ownership interests in credit card receivables and related assets from time to time and other related activities, and does not have and does not expect to acquire any other significant assets. While the limited nature of the Trust's business activities limits the Trust's business risk, the Trust remains subject to all ordinary commercial risks, including fraud relating to the Account Assets and related transactions, or lack of performance by counterparties under any relevant agreements. Notes issued from time to time will not represent obligations of the Seller, the Servicer, the Promoter, the Note Issuance and Payment Agent, the Issuer Trustee (other than in its capacity as Issuer Trustee), the Custodian, the Financial Services Agent, the Indenture Trustee, any swap counterparty or any of their respective affiliates and Noteholders of one Series of Notes will have no recourse to the Related Collateral of any other Series of Notes. There is no guarantee by the Seller or the Issuer Trustee of the collection of the Receivables nor has the Seller or the Issuer Trustee represented or undertaken that the Receivables

will realize their face value or any part thereof and, accordingly, the Issuer will have no claim against the Seller, the Servicer, the Promoter, the Note Issuance and Payment Agent, the Issuer Trustee, the Financial Services Agent, any swap counterparty, the Custodian, the Indenture Trustee or any of their respective affiliates for any deficiency arising in the realization of the Receivables except as set out above under “**The Account Assets — Indemnification**”.

### **Certain Legal Matters**

The interests of the Issuer may be subordinate to statutory deemed trusts and other non-consensual liens, trusts and claims created or imposed by statute or rule of law on the property of the Seller arising prior to the time undivided co-ownership interests in Receivables are transferred to the Issuer, which may reduce the amounts that may be available to the Trust and, consequently, Noteholders. The Seller will not give notice to Obligor of the transfer to the Issuer of Ownership Interests or the grant of a security interest therein to the Indenture Trustee. However, under the Pooling and Servicing Agreement, the Seller will warrant that undivided co-ownership interests in the Receivables have been or will be transferred to the Issuer free and clear of the security interest or lien of any third party claiming an interest therein, through or under the Seller. The Issuer will warrant and covenant that it has not taken and will not take any action to encumber or create any security interests or other liens in any of the property of the Issuer, except for the security interest granted to the Indenture Trustee and except as permitted under the Programme Agreements.

The intention of the Seller is that the transfers of Ownership Interests be treated as sales for legal purposes. As the subject of legal sales, the Ownership Interests would not form part of the assets of the Seller and would not be available to the creditors of the Seller. However, if insolvency or winding-up proceedings were commenced by or against the Seller, it is possible that a liquidator, receiver or creditor of the Seller may attempt to argue that the transactions between the Seller and the Issuer are other than true sales of Ownership Interests from the Seller to the Issuer. This position, if accepted by a court, could prevent timely or ultimate payment of amounts due to the Trust and, consequently, the Noteholders could incur losses on the Notes. Pursuant to the Pooling and Servicing Agreement and the Series Purchase Agreement for a Series, any proceeding relating to the insolvency or winding-up of, or appointment of a receiver for, the Seller will result in an Amortization Event in respect of such Series and will limit the ability for further Accounts to be added pursuant to certain provisions of the Pooling and Servicing Agreement. Other than the Amortization Events set out under “**Remittances — Amortization Period**”, or any other Amortization Event that may be specified in the Series Purchase Agreement for a Series (and set out in the applicable pricing supplement), no other event, including any regulatory action by the Office of the Superintendent of Financial Institutions (Canada), shall cause an Amortization Event in respect of a Series to occur. The application of any of the foregoing, could result in a timing delay of receipt and the reduction of the amounts payable to the Trust and, consequently, the Noteholders.

Also, in the case of the insolvency of the Issuer Trustee, it is possible that the creditors of the Issuer Trustee may attempt to argue that the assets of the Trust are held by the Issuer Trustee in its personal capacity (and not as trustee of the Trust) and are to be available to the creditors of the Issuer Trustee. Assuming that the Issuer Trustee deals with the assets of the Trust in accordance with the provisions of the Declaration of Trust, the assets of the Trust would not constitute property of the Issuer Trustee and would not be available to the creditors of the Issuer Trustee. A trustee, liquidator or administrator appointed with respect to the Issuer Trustee may be able to recover from the property of the Trust a portion of its costs that are incurred until a replacement for the Issuer Trustee, as trustee of the Trust, is appointed or pending any proceeding in respect of the property of the Trust. Such costs may exceed the compensation provided for in the Declaration of Trust.

To further support the sale of Ownership Interests, the Trust has made registrations in applicable jurisdictions in respect of the assignment to the Trust of the Ownership Interests in the Account Assets, as required by applicable law, and, as a result, the Trust would have an interest in the Account Assets superior to that of a liquidator of the Seller and any other party with a subsequently registered security interest therein. Accordingly, in a liquidation or winding-up of the Seller, the Trust should be entitled to priority in respect of its interest in the Account Assets ahead of the interests of a liquidator of the Seller and any other party with a subsequently registered security interest therein.

While the Seller is the Servicer, Collections held by the Seller may, subject to certain conditions, be commingled with the funds of the Seller and used for the benefit of the Seller prior to making required deposits, including deposits relating to payments under the Notes, and, in the event of the liquidation, winding-up, insolvency, receivership or administration of the Seller, the ability of the Trust to enforce its rights to the Collections in a timely manner may be adversely affected and Collections that have been commingled may be untraceable and unrecoverable.

In the event of a Servicer Termination Event as a result of the insolvency or winding-up of the Seller, the right of the Co-Owners to appoint a Successor Servicer may be stayed or prevented.

Amounts that are on deposit from time to time in the Accumulations Account or the Cash Reserve Account for a Series may be invested in Eligible Investments. In the event of the liquidation, winding-up, insolvency, receivership or administration of any entity with which an Eligible Investment is made or which is an issuer, obligor or guarantor of any Eligible Investment, the ability of the Trust, in respect of the Accumulations Account for a Series, and the Custodian, in respect of the Cash Reserve Account for a Series, to enforce its rights to any such Eligible Investments and the ability of the Trust to make payments to Noteholders in a timely manner may be adversely affected and may result in a loss on some or all of the related Notes. In order to reduce this risk, the Eligible Investments must satisfy certain ratings criteria. The pricing supplement for an offering of Notes will disclose any such ratings criteria that differ from the ratings criteria set out in the definition of “Eligible Investments”.

The application to an Obligor of Canadian federal bankruptcy and insolvency laws and related provincial laws could also affect the ability to collect the Receivables. Canadian federal bankruptcy laws generally discharge bankrupt Obligors of their obligation to pay their Receivables.

### **Subordination of Payments on the Notes to Certain Additional Funding Expenses and Other Costs**

Payments of interest and principal on the Notes are subordinate to certain payments of Additional Funding Expenses and, following a Related Event of Possession, the reimbursement of all costs, charges and expenses of and incidental to the appointment of a receiver in respect of the Related Asset Interests (including legal fees and disbursements) and the exercise by the receiver or the Indenture Trustee of all or any of the powers granted to them under the Trust Indenture, including the reasonable remuneration of such receiver or any agent or employee of such receiver or any agent of the Indenture Trustee and all outgoings properly paid by such receiver or the Indenture Trustee in exercising their power, in each case, as allocated in respect of the related Series of Notes. Additional Funding Expenses for a Series include all fees and all expenses of the Custodian, any Successor Servicer unless paid directly by CIBC, certain auditor fees, and amounts payable to the Indenture Trustee, the Note Issuance and Payment Agent or any other issuance and payment agent, the Issuer Trustee and the Financial Services Agent in respect of such Series. These amounts are not significant but could increase, especially in adverse circumstances such as the occurrence of a Related Event of Possession, the insolvency or winding-up of CIBC or a Servicer Termination Event. While as of the date hereof, the Trust has not been assessed by the Canadian tax authorities for any Canadian taxes, no assurance can be given that changes in laws, assessing practices or the interpretation thereof, operations or other factors would not result in the Trust owing a material amount with respect to taxes in the future. Any liability of the Trust for taxes allocable to a Series would be treated as Additional Funding Expenses in respect of such Series. Amounts payable to the beneficiary pursuant to the Declaration of Trust allocable to a Series will also be treated as Additional Funding Expenses in respect of such Series. If Additional Funding Expenses or the costs of a receiver or the Indenture Trustee allocable to a Series following a Related Event of Possession become too great, payments of interest on and principal of the related Notes may be reduced or delayed.

### **Reliance on Certain Persons**

The servicing of the Account Assets, including the collection and allocation thereof, and the making of the required deposits and transfers to and withdrawals from the Collection Account, is to be performed by the Seller, as the Servicer (and, if a Servicer Termination Event occurs, a Successor Servicer). Noteholders are relying on the Seller's good faith, expertise, historical performance, technical resources and judgment in servicing the Account Assets.

It is possible that a material disruption in collecting the Collections may ensue if a Servicer Termination Event occurs and a Successor Servicer assumes the Seller's servicing obligations. In addition, the collection results achieved by a Successor Servicer may differ materially from the results achieved during the time that the Seller is the Servicer. If the Seller were to cease acting as Servicer, delays in processing payments on the Receivables and information in respect thereof could occur and result in delays in payments to the Noteholders.

The Visa accounts relating to the Accounts are issued as part of the worldwide Visa International payment network, and transactions creating Receivables through the use of these credit cards are processed through the Visa International payment network. The right of CIBC to participate in the Visa International payment network is governed



by the Visa Service and License Agreements. In the event that any of the Accounts consist of Mastercard accounts, they will be issued as part of the worldwide Mastercard International payment network, and transactions creating Receivables through the use of the credit cards relating to such Mastercard accounts will be processed through the Mastercard International payment network. CIBC is a member of Mastercard and a customer of Mastercard International. The right of CIBC to participate in the Mastercard International payment network is governed by the Mastercard Service and License Agreements. Should the right of the Seller to participate in the credit card program operated by any entity or organization under whose regulations any credit cards were issued in connection with the Accounts, including pursuant to the Visa Service and License Agreements or the Mastercard Service and License Agreements, be terminated while any of the Accounts are regulated thereby, an Amortization Event would occur, and delays in payments on the Account Assets and possible reductions in the amounts thereof could also occur.

The Issuer is and will continue to be dependent for its administration on the diligence and skill of the employees of CIBC as Financial Services Agent. The Financial Services Agent may also retain other Persons to perform all or a portion of its obligations under the Financial Services Agreement. If the Financial Services Agent retains other Persons to perform its obligations thereunder, the Issuer will be dependent upon the subcontractor to provide services. In any such case, however, CIBC will not be discharged or relieved in any respect from its obligations under the Financial Services Agreement. See “**Transaction Structure Overview — Financial Services Agent**”.

If the Issuer enters into an interest rate swap or currency swap, or both, in connection with a Series of Notes, the Issuer will be relying on the swap counterparty to make certain payments under the applicable swap agreement.

Total System Services, Inc. currently provides the credit card processing services for the Seller’s credit card business. If Total System Services, Inc. were to fail or become insolvent, delays in processing and recovery of information with respect to charges incurred by the respective cardholders could occur. In addition, if Total System Services, Inc. becomes unable to perform its duties, the Seller will have to find a replacement service provider. The replacement of the services that Total System Services, Inc. currently provides to the Seller could be time-consuming. As a result of the foregoing, delays in payments to Noteholders could occur.

Gemalto Canada Inc. currently provides credit card manufacturing and embossing, personal identification number (PIN) and card mailing and related services for the Seller’s credit card business. If Gemalto Canada Inc. were to fail or become insolvent, delays in the provision of the card fulfillment services to new and existing cardholders could occur. In addition, if Gemalto Canada Inc. becomes unable to perform its duties, the Seller will have to find a replacement service provider. The replacement of the services that Gemalto Canada Inc. currently provides to the Seller could be time-consuming.

CPI Card Group Inc. also currently provides credit card manufacturing services for the Seller’s credit card business. If CPI Card Group Inc. were to fail or become insolvent, delays in the provision of the card fulfillment services to new and existing cardholders could occur. In addition, if CPI Card Group Inc. becomes unable to perform its duties, the Seller may have to find a replacement service provider. The process of finding a replacement for CPI Card Group Inc. could be time-consuming.

From time to time, the Seller may change the service providers it retains to provide services in connection with its credit card business. While the Seller will attempt to ensure that any new service providers provide it with the same or an improved level of service as provided to it before such change, there is no guarantee that a new service provider will do so, especially during any transition period from a current service provider to such new service provider. If the Seller delegates any of its duties as Servicer in accordance with the terms of the Pooling and Servicing Agreement, such delegation shall not relieve the Seller of its liability and responsibility with respect to such duties.

## **Social, Legal, Economic and Other Factors**

Changes in credit card use and payment patterns by cardholders result from a variety of social, legal, economic and other factors. Consumer confidence and economic uncertainty are affected by world events and economic factors, including capital markets activity, the rate of inflation, unemployment levels and relative interest rates. Similarly, changes of law which may affect the rate of interest and other charges assessed against the Receivables may affect credit card use and payment patterns and demographic changes and changes in consumer buying habits may

affect credit card use. The use of incentive programs (e.g., rewards for card usage), including the incentive programs offered by the CIBC travel reward credit cards, including its co-branded travel reward credit card, and CIBC cash back reward credit cards in the Designated Portfolios, and the increased availability of distributed ledger technology (“DLT”) and alternative lending and payment platforms may affect card use and the Receivables generated in the Designated Portfolios. The Issuer is unable to determine and has no basis to predict whether or to what extent changes in applicable laws, the incentive programs offered through the CIBC credit cards in the Designated Portfolios, including the termination of such programs or changes in respect of the co-branding partner, DLT, alternative lending and payment platforms or social, legal, economic or other factors, including the acceptance of certain credit cards by merchants, will affect card use or repayment patterns and, consequently, the timing and amount of payments on the Notes could be affected. Further, on termination of a co-branding agreement, cardholders may migrate their credit card usage to CIBC credit cards that are not in the Designated Portfolios or credit card programs of credit card issuers other than CIBC. In such cases, if CIBC were unable to generate receivables of a similar quality in the Designated Portfolios, an early Amortization Period could begin or the performance of the Receivables could suffer. See “**Credit Card Business of the Canadian Imperial Bank of Commerce**”.

CIBC has a co-branding arrangement with Aimia Canada Inc. (“**Aimia**”) which allows holders of CIBC Aeroplan Reward Visa Cards to earn loyalty points that may be redeemed with Aimia. Air Canada announced on May 11, 2017, that it will not be renewing its exclusive Aeroplan partnership with Aimia upon the expiry of the contract on June 29, 2020. CIBC Aeroplan Reward Visa Cards is one of the Designated Portfolios.

Holders of CIBC Aeroplan Reward Visa Cards are predominantly cardholders with broader banking relationships with CIBC, as opposed to credit card only clients, and as a result may be able to be retained as credit card customers of CIBC. The CIBC Aeroplan Reward Visa Designated Portfolio is the only Designated Portfolio containing co-branded loyalty reward credit cards. As of November 30, 2018, the Receivables in the CIBC Aeroplan Reward Visa Designated Portfolio represented approximately 21% of the Receivables in the Account Assets. The CIBC Aeroplan Reward Visa Designated Portfolio and the CIBC Aventura Visa Designated Portfolio are the two Designated Portfolios containing CIBC travel reward credit cards. The Aventura loyalty reward program is CIBC’s proprietary loyalty reward program. Since 2015, the Receivables balance in the CIBC Aeroplan Reward Visa Designated Portfolio has remained relatively stable, whereas the Receivables balance in the CIBC Aventura Visa Designated Portfolio has grown significantly.

On August 21, 2018, CIBC, Air Canada, Visa Canada Corporation and another Schedule I bank under the *Bank Act* (Canada) announced that an agreement in principle with Aimia Inc. has been reached for the purchase of the Aeroplan loyalty business.

On November 26, 2018, CIBC confirmed that it signed agreements with Air Canada securing its participation in Air Canada’s new loyalty program, conditional upon completion of Air Canada’s acquisition of the Aeroplan loyalty business.

On January 10, 2019, Air Canada announced the closing of its purchase of Aimia, the owner and operator of the Aeroplan loyalty business, from Aimia Inc. CIBC concurrently confirmed that it will be offering credit cards under Air Canada’s new loyalty program which is expected to launch in 2020, allowing CIBC to transition holders of CIBC Aeroplan Reward Visa Cards to the new program.

Holders of CIBC Aeroplan Reward Visa Cards are not immediately impacted by these announcements, as Aeroplan members may continue to collect Aeroplan Miles and redeem them as they do today. Air Canada also confirmed that Aeroplan members’ Aeroplan Miles will be honoured on a one-to-one basis in Air Canada’s new loyalty program when it launches in 2020.

## **Geographic Concentration**

In general, a pool of Receivables with a significant portion of those Receivables being owed by Obligor residents in a smaller number of provinces, territories or geographic regions may be subject to losses that are more severe than other pools having a more diverse geographic distribution of receivables. Repayments by Obligor residents could be affected by economic conditions generally, by changes in governmental rules and fiscal policies in the regions where the Obligor residents are located, and by other factors that are beyond the control of the Obligor residents. To the extent that general

economic or other relevant conditions in provinces, territories or regions in which the Obligors are located decline and result in a decrease in disposable incomes in the province, territory or region, the ability of Obligors to repay the Receivables may be adversely affected.

### **Competition in the Credit Card Industry**

The credit card industry is highly competitive and operates in a legal and regulatory environment increasingly focused on the cost of services charged for credit cards. There is increased use of advertising, target marketing, pricing competition and incentive programs. New credit card issuers may seek to expand or to enter the market. New federal and provincial laws and amendments to existing laws may be enacted to regulate further the credit card industry or to reduce service charges or other fees or charges applicable to credit card accounts. In addition, certain credit card issuers may assess periodic fees and other charges at rates lower than the rate currently being assessed on the Accounts.

The Issuer will be dependent upon the continued ability of CIBC, its affiliates and other authorized Persons to generate new Receivables. If the rate at which Receivables are generated declines significantly for reasons of competition or if repayments are made on existing Receivables more quickly than has historically been true for the Receivables, or if there is a significant decline in the amount of service charges payable under the Accounts and sufficient additional Receivables are not added, the revenue of the Issuer may not be sufficient to pay the Noteholders of a Series of Notes or an Amortization Period for the related Series could commence and such Noteholders could receive repayment of principal on such Series of Notes prior to or after the scheduled maturity date of such Series of Notes.

As a result of recent developments in the Canadian credit card industry, issuers of Visa cards are now able to issue cards from competing card associations, such as Mastercard International. As a result, the Seller, and other Visa card issuers, have begun, or may begin, to issue non-Visa card products, such as Mastercard card products, and the Seller may convert, or Obligors may switch, some or all of its, or their, Accounts to credit card accounts that are not Accounts within a Designated Portfolio. In addition, the Seller may convert, or Obligors may switch, some or all of its, or their, credit card accounts to accounts that are within a Designated Portfolio. Any such credit card accounts that are converted or switched by the Seller or Obligors to accounts that are within a Designated Portfolio may be included as Accounts in accordance with the terms of the Pooling and Servicing Agreement and any Addition Notices and assignments in respect of such Accounts. There can be no assurance that any such converted or switched credit card accounts will be of the same credit quality as the Accounts. As of the date hereof, not all Eligible Credit Card Accounts within the Designated Portfolios are included as Accounts.

### **The Ability of the Seller to Change Terms of the Accounts**

Pursuant to the Pooling and Servicing Agreement and each Series Purchase Agreement, the Seller does not transfer the Accounts to the Trust but only the Account Assets arising under the Accounts. As owner of the Accounts, the Seller will have the right to determine the interest rate and the fees which will be applicable from time to time to the Accounts, to alter the minimum monthly payment required under the Accounts and to change various other terms with respect to the Accounts. A decrease in the interest rate would decrease the effective yield on the Accounts and could result in the occurrence of an Amortization Event. Except as specified above under “**The Account Assets — Restrictions on Amendments to the Terms and Conditions of the Accounts**”, there are no restrictions on the ability of the Seller to change the terms of the Accounts. There can be no assurances that changes in applicable law, changes in the marketplace or prudent business practice might not result in a determination by the Seller to decrease customer finance charges, waive customer finance charges on specific Accounts or otherwise take actions which would change other Account terms. In servicing the Account Assets, the Servicer is to use substantially the same servicing procedures, offices and employees as it uses in connection with servicing its other consumer credit card receivables.

### **Additional Accounts**

The Seller is permitted, and in some cases will be obligated, to designate Additional Accounts. An undivided co-ownership interest in the Account Assets arising under those Additional Accounts will be conveyed to the Issuer. There can be no assurance that such Additional Accounts will be of the same credit quality as the Accounts. In addition, such Additional Accounts may consist of Credit Card Accounts which (i) are pursuant to a different brand of accounts, and such brand may have a different acceptance rate amongst merchants compared to the Accounts or target

a different category of credit cardholder compared to the Obligor, or (ii) have different terms than the Accounts, including lower periodic service charges, which may have the effect of reducing the average yield on the portfolio of Accounts. The designation of Additional Accounts will be subject to the satisfaction of certain conditions described under “**The Account Assets — Addition of Accounts**”.

### **Repurchase Obligation**

As described under “**The Account Assets — Mandatory Purchase**”, if certain of the representations and warranties contained in the Pooling and Servicing Agreement or a Series Purchase Agreement relating to, among other things, the Accounts and Account Assets is found to have been incorrect when made or certain of the covenants contained therein are breached, or an Account becomes a Secured Account, the Seller or the Servicer, as applicable, will be obligated to repurchase the related Account Assets or Ownership Interest, as applicable, by way of a deposit to the Collection Account. However, there can be no assurance that the Seller or the Servicer will be in a financial position to effect such repurchase.

### **Consumer Protection Laws and Legislative Developments**

The Receivables are subject to the consumer protection provisions of Canadian banking legislation and may be subject to provincial and territorial consumer protection laws in Canada which impose requirements on the making and enforcement of consumer credit sales and the granting of consumer credit generally. Such laws, as well as any new laws or rulings which may be adopted, may adversely affect the Seller’s ability to collect on the Receivables (through the assertion by Obligor of violations of such laws by way of defence or set-off) or maintain the level of service charges. The Issuer may also be liable for certain violations of consumer protection legislation either as assignee from the Seller with respect to obligations arising before the transfer of the Account Assets to the Custodian or as the party directly responsible for obligations arising after the transfer. In addition, an Obligor may be entitled to assert such violations by way of a defence or set off against the obligation to pay the amount of Receivables owing or a portion thereof. Pursuant to the Pooling and Servicing Agreement, the Seller is obligated to repurchase the Account Assets relating to any Account which was then in contravention of any laws, rules or regulations applicable thereto if such contravention has a material adverse effect on one or more Series or the entitlement of the Co-Owner of such Series to the Collections therefrom. See “**The Account Assets — Mandatory Purchase**”. The Seller has also agreed in the Pooling and Servicing Agreement to indemnify the Issuer, among other things, for any liability arising from such violation by the Seller. See “**The Account Assets — Indemnification**”.

Products and services of Canadian banks are the subject of extensive regulation under Canadian law. Numerous legislative and regulatory proposals and amendments are advanced each year which, if adopted, could limit the types of products and services that may be offered and the amount of finance charge rates or other fees that may be charged and could affect the Seller’s profitability or the manner in which it conducts its activities. It is impossible to determine the extent of the impact of any new law, regulations or initiatives that may be proposed, or whether any such legislative proposals will become law.

CIBC has, for example, been required to adhere to changes to the Code of Conduct for the Credit and Debit Card Industry in Canada that were announced on April 13, 2015 and have since come into effect. Those changes require, among other things, that premium cards associated with higher interchange rates display clear and prominent branding to identify them as premium cards, and that the higher merchant acceptance costs associated with premium cards be disclosed to cardholders on credit card applications. Payment applets on mobile devices that link to premium payment credentials of a cardholder must be similarly branded. Such measures may reduce the use of premium cards by cardholders. The amended code of conduct also contains provisions which allow merchants to cancel contactless payment acceptance while keeping other parts of their contracts with acquirers and to decline contactless payments made from a mobile wallet or mobile devices if the associated fees set by the payment card networks increase relative to card-based contactless payments.

In recent years, certain industry groups and consumers have expressed concerns about interchange rates related to Visa accounts and Mastercard accounts and about increases in interchange rates. Some regulators outside of Canada have taken actions to challenge or reduce interchange rates and certain other fees credit card issuers charge on transactions. In the United States and Canada, several lawsuits have been filed on behalf of various merchants alleging that the payment card network rules and the establishment of interchange rates violate antitrust or competition laws.

On November 4, 2014, Visa and Mastercard each announced separate voluntary commitments to Canada's Department of Finance to reduce average effective domestic interchange rates on purchases with consumer credit cards to 1.5% for a period of five years from April 30, 2015. Such interchange rate is lower than the interchange rate experienced prior to such date in respect of the Receivables. In August 2018, Canada's Department of Finance confirmed new, separate and voluntary commitments made by Visa and Mastercard, which will reduce average effective domestic interchange rates on purchases with consumer credit cards to 1.4% for a period of five years beginning May 1, 2020. Visa and Mastercard have also agreed to narrow the range of interchange rates (lowest vs. highest fee) charged to businesses.

On July 7, 2017, the federal Department of Finance issued a consultation paper proposing a new federal oversight framework for retail payments, including credit card transactions. In the 2018 federal budget, the federal government of Canada announced its intention to introduce legislative amendments to implement a new framework for the oversight of retail payments.

In the 2018 federal budget, the federal government of Canada also announced that it had undertaken a comprehensive review of the consumer protection framework and, as a result of this review, it planned to introduce legislation to expand the Financial Consumer Agency of Canada's tools and mandates and continue the advancement of consumers' rights and interests when dealing with banks. On October 29, 2018, the federal government of Canada introduced such proposed legislation. The amendments set forth in the Budget Implementation Act, 2018, No. 2 (Canada) ("**Bill C-86**") establish a new federal financial consumer protection framework and create new consumer protection obligations on banks under the Bank Act (Canada), including in the areas of corporate governance, responsible business conduct, disclosure and transparency. Bill C-86 also amends the Financial Consumer Agency of Canada Act (Canada) to strengthen the mandate of the Financial Consumer Agency of Canada and grant it additional powers. An assessment of the full extent of the changes that will result from Bill C-86 must await the finalization of the legislation and the publication of the related regulations.

On November 15, 2017, the government of Quebec passed legislation that amends Quebec's consumer protection legislation to, among other things, mandate a monthly minimum payment requirement for credit cards and implement certain required disclosures in consumer credit card contracts. The new Quebec rules are not yet in force, but will come into force on August 1, 2019. For new credit card accounts opened after the rule comes into force, the minimum payment required for a statement period will be at least 5% of the outstanding balance. For existing credit card accounts "in progress" when the new Quebec rules come into force, the minimum payment amount (if less than 5%) will be 2% and will gradually increase to 5% over a six year transition period.

### **Co-Owner Action**

Subject to certain exceptions, Co-Owners may take certain actions, or direct certain actions to be taken, under the Pooling and Servicing Agreement or the related Series Purchase Agreement. However, in certain circumstances, the consent or approval of a specified percentage of all of the Co-Owners will be required to direct certain actions, including the waiver of a Servicer Termination Event or the appointment of a Successor Servicer, in each case, following a Servicer Termination Event or the amendment of the Pooling and Servicing Agreement.

### **Additional Ownership Interests**

It is expected that Ownership Interests will be created and sold from time to time. The terms of each additional Ownership Interest may include methods for determining related allocation percentages and allocating Collections, provisions creating different or additional Credit Enhancement, and other terms in respect only of such additional Ownership Interest. As each Ownership Interest will have different attributes and entitlements, it is anticipated that some Series will be in their Revolving Periods, while others are in their Accumulation Periods or Amortization Periods. Subject to certain limitations, each Series may have entirely different methods for allocating Card Income, and for calculating the amount and timing of distributions of Collections and amounts deposited to the Collection Account in respect of credit adjustments to the related Co-Owners. Accordingly, there can be no assurance that the sale of Ownership Interests from time to time might not have an impact on the timing or amount of distributions to the Issuer in respect of existing Ownership Interests and, in turn, on the Notes issued to finance the purchase of such Ownership Interests. In addition, the terms applicable to any Series may include Servicer Termination Events other than those applicable to any other Series. No Series Purchase Agreement may, however, change the terms

of an Ownership Interest or the terms of the Pooling and Servicing Agreement as applied to such Ownership Interest. As long as an Ownership Interest is existing, a condition precedent to the execution of any such additional Series Purchase Agreement will be the satisfaction of the related Rating Agency Condition. There can be no assurance, however, that the terms of any other Series might not have an impact on the timing or amount of payments received by the Issuer.

### **Repayment on Targeted Principal Distribution Date**

The accumulation of Collections each month during the Accumulation Period for each Series held by the Trust equal to the related Monthly Accumulation Principal Amount is expected to enable the Trust to repay the related Notes on the related Targeted Principal Distribution Date of such Series. However, there can be no assurance that the actual performance of the pool during such Accumulation Period will be in accordance with the assumptions underlying the determination of the related Accumulation Commencement Day or that the related Monthly Accumulation Principal Amount will be appropriate or correct or that any or all of the other factors underlying such determinations will be present. The distribution of sufficient Collections to the Trust by the Targeted Principal Distribution Date of a Series is primarily dependent on the monthly payment rate and will not be made in full by such Targeted Principal Distribution Date if the Collections and, to the extent available, the related Available Cash Reserve Amount are insufficient to pay the related Notes in full. No assurance can be given as to the monthly payment rates which will actually occur in any future period. The actual rate of accumulation of Collections in the Accumulations Account of a Series will depend, among other factors, on the rate of Collections, the timing of the receipt of Collections and the rate of default by Obligor. As a result, repayment of the Notes related to a Series may occur later than the Targeted Principal Distribution Date of such Series. The full repayment of amounts in respect of a Series would also be affected by the commencement of an Amortization Period in respect of such Series and the existence of other Series. See “**Investment Considerations — Additional Ownership Interest**”.

If an Amortization Event occurs in respect of a Series prior to the Targeted Principal Distribution Date of such Series, the related Series of Notes may be repaid prior to or after such Targeted Principal Distribution Date. If such repayment occurs at a time when prevailing interest rates are lower than when the related Series of Notes were issued, the applicable Noteholders may not be able to reinvest the proceeds of such Series of Notes in a comparable security with an effective interest rate equivalent to that of such Series of Notes.

### **Changes or Uncertainty in Respect of CDOR May Adversely Affect the Value of Notes**

The Canadian Dollar Offered Rate (“**CDOR**”) and other indices which are deemed "benchmarks" are the subject of national, international and other regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, or have other consequences which cannot be predicted. At this time, it is not possible to predict the effect of any such changes, any establishment of alternative reference rates or any other reforms to CDOR that may be implemented. Uncertainty as to the nature of such potential changes, alternative reference rates or other reforms may adversely affect the trading market for Notes the interest on which is determined by reference to CDOR.

More generally, any consequential changes to CDOR or any other "benchmark" as a result of international, national or other proposals for reform or other initiatives or investigations, or any further uncertainty in relation to the timing and manner of implementation of such changes, could have a material adverse effect on the value of and amount of interest payable on any Notes based on or linked to a "benchmark".

### **Ratings**

It will be a condition of the closing of the offering of any Series of Notes that each class of Notes be assigned, by two Designated Rating Organizations (or such other number specified in the related Series Supplement (and set out in the applicable pricing supplement)), the ratings specified in the related Series Supplement (and set out in the applicable pricing supplement). The ratings on the Notes address the likelihood of the receipt by the Noteholders of their entitlement to principal and accrued interest under various scenarios. However, the Rating Agencies do not evaluate and the ratings do not address the likelihood that the outstanding principal amount of any particular Series of Notes will be paid by the Targeted Principal Distribution Date of the related Series. A rating is based primarily on the credit underlying the Receivables, the levels of credit enhancement and subordination available to the Notes. The

Rating Agencies have different rating methodologies, criteria, models and requirements and the rating methodologies, criteria, models and requirements of a Rating Agency may change from time to time. Any change by a Rating Agency in its rating methodologies, criteria, models or requirements may result in a change in that Rating Agency's ratings on the Notes or its credit enhancement or subordination requirements in respect of the Notes. In addition, there is no assurance that a rating will remain for any given period of time or that a rating will not be lowered, placed under review or withdrawn entirely by a Rating Agency if in its judgment circumstances so warrant. None of the Trust, the Seller or the Promoter, or any of their affiliates, will have any obligation to replace or supplement any credit enhancement, or to take any action to maintain any ratings of any Notes. A revision, withdrawal or placement under review of such rating may have an adverse effect on the liquidity, marketability or market price of the Notes. The ratings of the Notes are not a recommendation to purchase, hold or sell the Notes, inasmuch as such ratings do not comment as to market price or suitability for a particular investor. The ratings also do not address the possibility of the occurrence of an Amortization Event, a Servicer Termination Event or a Related Event of Possession, any of which could result in the partial or complete payment of the outstanding principal amount of the Notes prior or subsequent to the Targeted Principal Distribution Date of the related Series. In addition, the ratings take into consideration the capacity of those parties in a key support relationship to the Trust and the degree of covenant protection available to investors as contained in the Material Contracts. Certain changes to the arrangements referred to herein are subject to the satisfaction of the Rating Agency Condition. However, there are no assurances that the Rating Agency Condition will be satisfied while Notes are outstanding. In these circumstances, it may be difficult for the Trust to obtain confirmation that such changes will not result in a downgrade or withdrawal of the then-current ratings on the Notes, and as a result, the Trust may be restricted or delayed in completing such changes.

There can be no assurances that any rating agency not requested to rate the Notes will nonetheless issue a rating to any or all classes of the Notes and if so, what such rating would be. A rating assigned to any class of Notes by a rating agency that has not been requested to do so by the Trust may be lower than the ratings assigned thereto by any of the Rating Agencies. No Notes issued by the Trust prior to the date hereof have been downgraded, withdrawn or placed under review by a credit rating agency after their issuance.

- (i) *Moody's Ratings.* The definition of the ratings categories of Moody's in which Moody's may be asked to rate Notes are set forth below in descending order of ranking:

**Aaa (sf)**

Obligations that are rated "Aaa" are judged by Moody's to be of the highest quality, subject to the lowest level of credit risk.

**A (sf)**

Obligations that are rated "A" are the third highest rated obligations after those rated "Aaa" and "Aa" and are judged by Moody's to be upper-medium grade and subject to low credit risk.

**Baa (sf)**

Obligations that are rated "Baa" are the fourth highest rated obligations after those rated "Aaa", "Aa" and "A" and are judged by Moody's to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics.

"Aaa" is the highest ranking ratings category of Moody's. Moody's has 5 ratings categories that rank below "Baa". These lower ranking ratings categories range from "Ba" to "C". Ratings of "Ba" to "C" are assigned to obligations that have significant speculative characteristics. The ratings from "Aa" through "Caa" may have the numerical modifiers 1, 2 and 3 applied to them. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category, the modifier 2 indicates a mid-range ranking and the modifier 3 indicates a ranking in the lower end of the generic rating category.

Moody's long-term structured finance ratings are assigned to issuers or obligations with an original maturity of one year or more and reflect both the likelihood of a default and the expected loss suffered in the event of default.

- (ii) *DBRS Ratings.* The definition of the ratings categories of DBRS in which DBRS may be asked to rate Notes are set forth below in descending order of ranking:

**AAA (sf)**

An obligation rated “AAA” is considered by DBRS to be of the highest credit quality. The capacity for the payment of financial obligations is exceptionally high and unlikely to be adversely affected by future events.

**A (sf)**

An obligation rated “A” is the third highest rated obligation after those rated “AAA” and “AA” and is considered by DBRS to be of good credit quality. The capacity for the payment of financial obligations is substantial, but of lesser credit quality than with “AA” rated obligations. An obligation rated “A” may be vulnerable to future events, but qualifying negative factors are considered manageable.

**BBB (sf)**

An obligation rated “BBB” is the fourth highest rated obligation after those rated “AAA”, “AA” and “A” and is considered by DBRS to be of adequate credit quality. The capacity for the payment of financial obligations is considered acceptable. An obligation rated “BBB” may be vulnerable to future events.

“AAA” is the highest ranking ratings category of DBRS. DBRS has 6 ratings categories, ranging from “BB” to “D”, that rank below “BBB”. Five of the lower ranking ratings categories, ranging from “BB” to “C”, are assigned to obligations that are regarded as having significant speculative characteristics. When an issuer has filed under any applicable bankruptcy, insolvency or winding-up statute or there is a failure to satisfy an obligation after the exhaustion of grace periods, a downgrade to “D” may occur.

The DBRS long-term debt rating scale provides an opinion on the risk of default. That is, the risk that an issuer will fail to satisfy its financial obligations in accordance with the terms under which an obligations has been issued. Ratings are based on quantitative and qualitative considerations relevant to the issuer, and the relative ranking of claims. Each rating category, other than “AAA” and “D”, is denoted by subcategories “high” and “low”. The absence of either a “high” or “low” designation indicates the rating is in the “middle” of the category. The “AAA” and “D” categories do not utilize “high”, “middle” or “low” as differential grades.

- (iii) *S&P Ratings.* Definitions of the ratings categories in which S&P may be asked to rate Notes are set forth below in descending order of ranking:

**AAA (sf)**

An obligation rated “AAA” has the highest rating assigned by S&P. The obligor’s capacity to meet its financial commitments on the obligation is extremely strong.

**A (sf)**

An obligation rated “A” is the third highest rated obligation after those rated “AAA” and “AA” and is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher rated categories. However, the obligor’s capacity to meet its financial commitments on the obligation is still strong.

**BBB (sf)**

An obligation rated “BBB” is the fourth highest rated obligation after those rated “AAA”, “AA” and “A” and exhibits adequate protection parameters. However, adverse economic



conditions or changing circumstances are more likely to weaken the obligor's capacity to meet its financial commitments on the obligation.

"AAA" is the highest ranking ratings category of S&P. S&P has six ratings categories that rank below "BBB". Five of these lower ranking ratings categories range from "BB" to "C" and are assigned to obligations that have significant speculative characteristics. An obligation rated "D" is in default or in breach of an imputed promise. The "D" rating is also used by S&P upon the filing of a bankruptcy petition or the taking of similar action and where default on an obligation is a virtual certainty, for example due to automatic stay provisions. The ratings from "AA" to "CCC" may be modified by the addition of a plus or minus sign to show relative standing within rating categories. If a rating has not been modified, this indicates that the rating ranks in the middle range of the particular rating category.

- (iv) *Fitch Ratings*. Definitions of the ratings categories in which Fitch may be asked to rate Notes are set forth below in descending order of ranking:

#### **AAAsf**

"AAA" ratings denote the lowest expectation of default risk. They are assigned only in cases of exceptionally strong capacity for payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.

#### **Asf**

An obligation rated "A" is the third highest rated obligation after those rated "AAA" and "AA" and "A" ratings denote expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings.

#### **BBBsf**

An obligation rated "BBB" is the fourth highest rated obligation after those rated "AAA", "AA" and "A" and "BBB" ratings indicate that expectations of default risk are currently low. The capacity for payment of financial commitments is considered adequate, but adverse business or economic conditions are more likely to impair this capacity.

"AAA" is the highest ranking ratings category of Fitch. Fitch has six ratings categories that rank below "BBB". Five of these lower ranking ratings categories range from "BB" to "C" and are assigned to obligations that have significant speculative characteristics. An obligation rated "D" indicates a default. Default generally is defined as one of the following: (i) a failure to make payment of principal and/or interest under the contractual terms of the rated obligation; (ii) bankruptcy filings, administration, receivership, liquidation or other winding-up or cessation of the business of an issuer; or (iii) a distressed exchange of an obligation, where creditors were offered securities with diminished structural or economic terms compared with the existing obligation to avoid a probable payment default. The ratings from "AA" to "CCC" may be modified by the addition of a plus or minus sign to show relative standing within rating categories. If a rating has not been modified, this indicates that the rating ranks in the middle range of the particular rating category.

The ratings categories in which the applicable Rating Agencies may be asked to rate Notes may be modified with a "sf" modifier. The "sf" modifier indicates only that the Notes are deemed to meet a certain regulatory definition of "structured finance" instruments and does not modify the meaning of the ratings themselves.

Payments were, or reasonably will be, made to the applicable Rating Agencies for the ratings the Trust has asked for and received for the Notes that are outstanding, or will be outstanding, and that continue in effect. No payments were made to any of the Rating Agencies in respect of any other service provided to the Trust by the Rating Agencies during the last two years.

Potential investors in the Notes are urged to make their own evaluation of the creditworthiness of the Receivables and the Credit Enhancement on the Notes, and not to rely solely on the ratings on the Notes.

## **Potential Rating Agency Conflict of Interest and Regulatory Scrutiny**

It may be perceived that the Rating Agencies hired to rate the Notes have a conflict of interest that may affect the ratings assigned to the Notes where, as is common practice and will likely be the case with the ratings of the Notes in the future, the Promoter, the Seller or the Trust will pay the fees charged by the Rating Agencies for their rating services. Furthermore, rating agencies have been and may continue to be under scrutiny by federal, provincial, territorial and state legislative and regulatory bodies in Canada and the United States for their roles in the recent financial crisis and such scrutiny and any actions such legislative and regulatory bodies may take as a result thereof may also have an adverse effect on the perceived value of such a rating or the level of such a rating, and accordingly, the price that a subsequent purchaser would be willing to pay for the Notes and the ability to resell the Notes.

## **Subordinated Notes**

Unless otherwise set out in the applicable pricing supplement, in respect of each Series held by the Trust, the related Subordinated Notes will serve as credit support for the related Senior Notes. Repayment of the principal amount of the Subordinated Notes will not be made until all principal and accrued interest on the Senior Notes and all interest on the Subordinated Notes have been fully paid. In such circumstances, a holder of the Subordinated Notes could lose some or all of its initial investment in the Subordinated Notes. If applicable, each lower ranked class of Subordinated Notes will also serve as credit support for the higher ranked classes of Subordinated Notes. If applicable, repayment of the principal amount of the Subordinated Notes of any lower ranked class will not be made until all principal and accrued interest on all Subordinated Notes of the higher ranked classes and all interest on the Subordinated Notes of the lower ranked class have been fully paid. In such circumstances, a holder of Subordinated Notes of a lower ranked class could lose some or all of its initial investment in the Subordinated Notes.

Subject to special class rights of Noteholders, certain amendments may be made to the Material Contracts and certain directions, demands, consents or waivers, may be provided, based on a direction given by the holders of the Senior Notes and the Subordinated Notes voting together as a single Series of Notes. As the holders of the Subordinated Notes will generally constitute a minority of the Series of Notes eligible to vote at a meeting called to consider such amendments or to provide directions, demands, consents or waivers, the holders of the Senior Notes will generally have the ability to control any direction provided to the Indenture Trustee and the Issuer. Accordingly, subject to the special class rights of the holders of the Subordinated Notes, the holders of the Senior Notes will, in practical terms, have the power to determine whether amendments will be permitted and actions may be taken without regard to the position or interests of the holders of the Subordinated Notes. In certain circumstances, the position or interests of holders of the Senior Notes and of holders of the Subordinated Notes may be in conflict. As a result, holders of the Subordinated Notes may be adversely affected by determinations made which are beyond their control.

No change may be made to certain fundamental aspects of the Subordinated Notes such as the interest rate, principal amounts or maturity dates thereof. In addition, if any change is proposed relating to or affecting the Subordinated Notes differently than the Senior Notes, then holders of the Subordinated Notes (or any specially affected class thereof) shall not be bound by any action taken at a meeting or by an instrument in writing, unless a special class meeting of the holders of the Subordinated Notes (or such class thereof) is held for which approval rules as specified in the Trust Indenture shall apply. Such rules include the requirement for matters to be passed by the holders of not less than 66 $\frac{2}{3}$ % of the aggregate principal amount of the Subordinated Notes (or such class thereof). However, the holders of the Senior Notes may at any time in their discretion renew or extend the time for payment of the Senior Notes (and thereby renew or extend the time for payment of the Subordinated Notes) without notice to or consent of the holders of the Subordinated Notes or the Indenture Trustee.

## **Recharacterization of Principal Receivables Would Reduce Principal Receivables and May Require the Addition of Additional Accounts**

As described under “**The Account Assets — Discount Option**”, the Seller may designate a percentage of the Receivables that would otherwise be treated as Principal Receivables to be treated as Finance Charge Receivables. This designation could decrease the likelihood of an Amortization Event occurring as a result of a reduction of the average net portfolio yield for a given period. This designation will also reduce the aggregate amount of Principal Receivables, which may increase the likelihood that the Seller will be required to add Additional Accounts. If the Seller were unable

to add Additional Accounts, one or more Series could go into early amortization. As of the date hereof, the Seller has not previously designated any Principal Receivables to be treated as Finance Charge Receivables.

### **International Information Reporting**

Pursuant to rules in the Tax Act implementing the Organization for Economic Co-operation and Development's Common Reporting Standard (the "CRS Rules"), information collecting and reporting requirements are imposed on certain Canadian financial institutions in respect of holders of its debt obligations that are residents of countries other than Canada and the United States. If Canada and the applicable country of residence have agreed to bilateral information exchange under the Common Reporting Standard, such information will be exchanged by the CRA with the tax authorities of that country. The Trust intends to comply with the CRS Rules (and similar requirements under Part XVIII of the Tax Act), to the extent applicable in its circumstances. The Financial Services Agent will continue to monitor the implications of the CRS Rules or such other requirements to the Trust and to holders of Notes.

### **Technology, Information and Cyber Security Risk Exposure**

Financial institutions similar to CIBC are evolving their business processes to leverage innovative technologies and the internet to improve client experience and streamline operations. At the same time, cyber threats and the associated financial, reputational and business interruption risks have also increased. CIBC has cyber insurance coverage to help mitigate loss associated with cyber incidents.

These risks continue to be actively managed by CIBC through strategic risk reviews, enterprise-wide technology and information security programs, with the goal of maintaining overall cyber-resilience that prevents, detects and responds to threats such as data breaches, malware, unauthorised access and denial-of-service attacks, which may result in delays in processing payments on the Receivables and information in respect thereof, consequently resulting in delays in processing payments to the Noteholders, and/or affect credit card usage and repayments, consequently affecting the timing and amount of payments on the Notes. Given the importance of electronic financial systems, including secure online and mobile banking provided by CIBC to its clients, CIBC monitors the changing environment globally, including cyber threats, evolving regulatory requirements and mitigation strategies in order to improve its controls and processes to protect its systems and client information. In addition, CIBC continually performs cyber security preparedness, testing and recovery exercises to validate its defenses, benchmarks against best practices and provides regular updates to its board of directors. CIBC has well-defined cyber incident response protocols and playbooks in the event that a security incident or breach occurs.

Despite CIBC's commitment to information and cyber security, CIBC and its related third parties may not be able to fully mitigate all risks associated with the increased complexity and high rate of change in the threat landscape. However, CIBC continuously monitors its risk posture for changes and continues to refine approaches to security protection and service resilience to minimise the impact of any incidents that may occur, including in respect of its credit card business.

### **The Notes Are Not Suitable Investments For All Investors**

The Notes are complex instruments that should be considered only by investors who, either alone or with their financial, tax, legal and other advisors, have the expertise to analyze the default, market, amortization and reinvestment risk, the tax consequences of an investment in the Notes and the interaction of these factors. Other than this short form base shelf prospectus and a pricing supplement and any marketing materials relating to a specific offering of Notes filed by the Issuer under its profile on [www.sedar.com](http://www.sedar.com), the only other information investors will have access to relating to the Notes are the documents of the type referred to under the headings "**Documents Incorporated by Reference**" and "**Credit Card Portfolio**" filed by the Issuer under its profile on [www.sedar.com](http://www.sedar.com) and any monthly reports described under the heading "**Servicing – Reporting**" that the Issuer may post under its profile on [www.sedar.com](http://www.sedar.com). Investors should be prepared to make investment decisions in respect of the Notes solely on the information contained in the documents referred to in the previous sentence.

## MATERIAL CONTRACTS

Unless otherwise specified in the pricing supplement for any Series of Notes, the following are the contracts which have been or will be entered into by the Issuer, the Issuer Trustee, the Seller, the Servicer or the Custodian, and which will be considered material to investors purchasing Notes of any Series of Notes (collectively, the “**Material Contracts**”):

- (a) the Declaration of Trust;
- (b) the Trust Indenture and the Series Supplement relating to such Series of Notes;
- (c) the Financial Services Agreement;
- (d) the Pooling and Servicing Agreement;
- (e) the Series Purchase Agreement and the Remittance Notice in respect of the related Series;
- (f) the Dealer Agreement;
- (g) any currency swap agreement entered into by the Trust in respect of such Series of Notes denominated in a currency other than Canadian dollars, the details of which will be disclosed in the applicable pricing supplement;
- (h) any interest rate swap agreement entered into by the Trust in respect of such Series of Notes, the details of which will be disclosed in the applicable pricing supplement; and
- (i) the Seller’s representation and indemnity covenant.

## CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of McCarthy Tétrault LLP and Osler, Hoskin & Harcourt LLP, the following is a summary of the principal Canadian federal income tax considerations generally applicable to a prospective Noteholder if it were to acquire beneficial ownership of a Note at par on the date hereof pursuant to this short form base shelf prospectus and who, for purposes of the Tax Act, deals at arm’s length with the Trust and the Dealers and is not affiliated with the Trust or the Dealers (a “**Holder**”).

This summary is based upon the current provisions of the Tax Act and the regulations thereunder (the “**Regulations**”) in force as of the date hereof, counsel’s understanding of the current administrative and assessing policies and practices published in writing by the Canada Revenue Agency (the “**CRA**”) prior to the date hereof and all specific proposals to amend the Tax Act and the Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the “**Tax Proposals**”). This summary assumes that the Tax Proposals will be enacted as currently proposed, but no assurance can be given that this will be the case. This summary is not exhaustive of all possible Canadian federal income tax considerations and, except for the Tax Proposals, does not take into account or anticipate any changes in law or in the administrative or assessing policies and practices of the CRA, whether by legislative, governmental or judicial decision or action, nor does it take into account other federal, provincial, territorial or foreign tax considerations.

In general, for the purpose of the Tax Act, all amounts not otherwise expressed in Canadian dollars must be converted into Canadian dollars based on the applicable daily rate as quoted by the Bank of Canada for the day or days such amounts arose, or such other rate of exchange that is acceptable to the CRA.

**This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any prospective Holder. Accordingly, prospective Holders should consult their own tax advisors with respect to their particular circumstances.**

**If the principal Canadian federal income tax considerations applicable to any particular Series of Notes are materially different from those that are described in this summary, such Canadian federal income tax considerations will be summarised in the applicable pricing supplement related to that particular Series of Notes.**

### **Residents of Canada**

The following summary applies to a Holder who, at all relevant times and for purposes of the Tax Act, is resident or deemed to be resident in Canada and who will hold the Notes as capital property (a “**Resident Holder**”). This summary does not apply to a Resident Holder which is a “financial institution” within the meaning of section 142.2 of the Tax Act, a Resident Holder who has elected to report its Canadian tax results in a “functional currency” (which excludes Canadian dollars), a Resident Holder who enters into a “derivative forward agreement” with respect to the Notes or a Resident Holder, an interest in which is a “tax shelter investment” for the purposes of the Tax Act. Generally, the Notes will constitute capital property to a Resident Holder provided that the Resident Holder does not hold the Notes in the course of carrying on a business of buying and selling securities and does not acquire them as part of an adventure in the nature of trade. Certain Resident Holders who might not otherwise be considered to hold their Notes as capital property may, in certain circumstances, be entitled to have them treated as capital property by making the one time election permitted by subsection 39(4) of the Tax Act.

### **Interest on the Notes**

A Resident Holder that is a corporation, partnership, unit trust or trust of which a corporation or a partnership is a beneficiary will be required to include in computing its income for a taxation year any interest on a Note or amount deemed to be interest under the Tax Act that accrued to it to the end of the taxation year of the Resident Holder or that became receivable or was received by it before the end of such taxation year, except to the extent that such interest was included in computing its income for a preceding taxation year.

Any other Resident Holder, including an individual, will be required to include in computing its income for a taxation year any amount received or receivable by the Resident Holder in the taxation year as interest on the Notes, depending upon the method regularly followed by the Resident Holder in computing income, to the extent that such amount was not included in computing the Resident Holder’s income for a preceding taxation year. In addition, if such Resident Holder has not otherwise included interest on a Note in computing the Resident Holder’s income at periodic intervals of not more than one year, such Resident Holder will be required to include in computing income for a taxation year any interest that accrues or is deemed to accrue to the Resident Holder on the Note up to the end of any “anniversary day” (as defined in the Tax Act) in that year to the extent such interest was not otherwise included in the Resident Holder’s income for that year or a preceding year.

### **Disposition of Notes**

On a disposition or deemed disposition of a Note by a Resident Holder at any time, including on redemption or at maturity, the Resident Holder will be required to include in computing its income for the taxation year in which the disposition occurs an amount equal to the accrued interest (including any amount deemed to be interest) on the Note to the date of the disposition and that is not payable until after that time, to the extent that such amount was not otherwise included in computing the Resident Holder’s income for that taxation year or a preceding taxation year. Where the amount so included in income exceeds the portion of the total consideration received by the Resident Holder for the Note that is reasonably allocated to such accrued but unpaid interest, and the Note has been disposed of for consideration equal to the fair market value of the Note at the time of disposition, such excess may generally be deducted by the Resident Holder in computing income, subject to the detailed rules contained in the Tax Act in that regard.

In addition, on the disposition or deemed disposition of a Note, the Resident Holder will realize a capital gain (or a capital loss) to the extent that the proceeds of disposition of the Note, net of any accrued interest or amount deemed to be interest (less any amount deducted by the Resident Holder in accordance with the last sentence of the previous paragraph) and any reasonable costs of disposition, exceed (or are exceeded by) the adjusted cost base of the Note to the Resident Holder. One-half of any capital gain must be included in computing the Resident Holder’s income as a taxable capital gain for the taxation year in which the disposition occurs, and one-half of any capital loss may

generally be deducted from a Resident Holder's taxable capital gains, in accordance with and subject to the detailed rules contained in the Tax Act in that regard. Capital gains realized by an individual or by most trusts may give rise to alternative minimum tax under the Tax Act.

### **Additional Refundable Tax**

A Resident Holder that is a "Canadian controlled private corporation" (as defined in the Tax Act) may be liable to pay a refundable tax on its "aggregate investment income" (as defined in the Tax Act) for the taxation year, including interest income and taxable capital gains.

### **Non-Residents of Canada**

The following summary applies to a Holder who, at all relevant times and for purposes of the Tax Act, is neither resident nor deemed to be resident in Canada, is entitled to all payments made on a Note, does not use or hold and is not deemed to use or hold the Notes in or in the course of carrying on business in Canada and deals at arm's length with any person or partnership who is resident or deemed to be resident in Canada to whom the Holder assigns or otherwise transfers a Note (a "**Non-Resident Holder**"). Special rules which apply to non-resident Holders carrying on an insurance business in Canada and elsewhere are not discussed in this summary. This summary assumes that no interest paid or payable on the Notes will be in respect of a debt or other obligation to pay an amount to a person with whom the Trust does not deal at arm's length for the purposes of the Tax Act and that the Trust will not make any designation under subsection 18(5.4) of the Tax Act in respect of any interest paid or credited by the Trust on the Notes.

Interest (including amounts on account or in lieu of payment of, or in satisfaction of, interest) paid or credited or deemed to be paid or credited by the Trust to a Non-Resident Holder in respect of the Notes will be exempt from Canadian non-resident withholding tax unless all or any portion of such interest (other than on a "prescribed obligation" described below) is contingent or dependent on the use of or production from property in Canada or is computed by reference to revenue, profit, cash flow, commodity price or any other similar criterion or by reference to dividends paid or payable to shareholders of any class or series of shares of the capital stock of a corporation ("**Participating Debt Interest**"). A "prescribed obligation" is a debt obligation the terms or conditions of which provide for an adjustment to an amount payable in respect of the obligation for a period during which the obligation was outstanding which adjustment is determined by reference to a change in the purchasing power of money and no amount payable in respect thereof, other than an amount determined by reference to a change in the purchasing power of money, is contingent or dependent upon, or computed by reference to, any of the criteria described in the preceding sentence.

In the event that a Note is redeemed, cancelled, repurchased or purchased by the Trust or any other person resident or deemed to be resident in Canada from a Non-Resident Holder or is otherwise assigned or transferred by a Non-Resident Holder to a person resident or deemed to be resident in Canada for an amount which exceeds, generally, the issue price thereof or in certain cases the price for which such Note was assigned or transferred to the Non-Resident Holder by a person resident or deemed to be resident in Canada, the excess may, in certain circumstances, be deemed to be interest and may, together with any interest that has accrued on the Note to that time, be subject to non-resident withholding tax if all or any part of such deemed interest is Participating Debt Interest unless, in some circumstances, the Note is considered to be an "excluded obligation" for purposes of the Tax Act. A Note that is not an "indexed debt obligation" (described below) will be an "excluded obligation" for this purpose if it was issued for an amount not less than 97% of its principal amount (as defined in the Tax Act), and the yield from which, expressed in terms of an annual rate (determined in accordance with the Tax Act) on the amount for which the Note was issued, does not exceed  $\frac{4}{3}$  of the interest stipulated to be payable on the Note, expressed in terms of an annual rate on the outstanding principal amount from time to time. An "indexed debt obligation" is a debt obligation the terms and conditions of which provide for an adjustment to an amount payable in respect of the obligation for a period during which the obligation was outstanding that is determined by reference to a change in the purchasing power of money.

If applicable, the normal rate of Canadian non-resident withholding tax is 25% but such rate may be reduced under the terms of an applicable income tax treaty.

Generally, there are no other Canadian income taxes that would be payable by a Non-Resident Holder as a result of holding or disposing of a Note (including for greater certainty, any gain realized by a Non-Resident Holder on a disposition of a Note).

## **SELLER'S REPRESENTATION AND INDEMNITY COVENANT**

Under a Seller's representation and indemnity covenant CIBC will (i) represent and warrant that all statements made in this short form base shelf prospectus, any pricing supplement or any document incorporated by reference herein, with respect to it, its business, the Account Assets or the underlying Receivables or the Series contain no untrue statement of a material fact and do not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made; and (ii) indemnify the Issuer, the Issuer Trustee, the Financial Services Agent and the Dealers for any loss resulting from this short form base shelf prospectus, any pricing supplement or any document incorporated by reference herein containing any untrue statement of a material fact or omitting to state any material fact that is required to be stated or that is necessary to make any statement in this short form base shelf prospectus, any pricing supplement or any document incorporated by reference herein not misleading in light of the circumstances in which it was made.

## **INDEPENDENT AUDITORS**

The auditors of the Issuer are Ernst & Young LLP.

## **LEGAL MATTERS**

Unless otherwise specified in the applicable pricing supplement, certain legal matters relating to the issuance of Notes will be passed upon on the date of issuance of such Notes by McCarthy Tétrault LLP on behalf of CIBC and the Issuer and by Osler, Hoskin & Harcourt LLP on behalf of the Dealers.

## **INTERESTS OF EXPERTS**

As of the date hereof, partners and associates of McCarthy Tétrault LLP and Osler, Hoskin & Harcourt LLP, each as a group, beneficially own, directly or indirectly, less than 1% of any securities of the Trust.

Ernst & Young LLP, Chartered Professional Accountants and Licensed Public Accountants, are independent with respect to the Trust within the meaning of the Code of Professional Conduct of the Chartered Professional Accountants of Ontario.

## **LEGAL PROCEEDINGS**

The following is a description of CIBC's significant legal proceedings relating to its credit card business, which it intends to defend.

Since 2004, a number of proposed class actions have been filed in the Quebec Superior Court against CIBC and numerous other financial institutions. The actions, brought on behalf of Quebec cardholders, allege that the financial institutions are in breach of certain provisions of the Quebec *Consumer Protection Act* (the "CPA"). The alleged violations include charging fees on foreign currency transactions, charging fees on cash advances, increasing credit limits without the cardholder's express consent, and failing to allow a 21-day grace period before posting charges to balances upon which interest is calculated. CIBC and the other defendant banks are jointly raising a constitutional challenge to the CPA on the basis that banks are not required to comply with provincial legislation because banking and cost of borrowing disclosure is a matter of exclusive federal jurisdiction. The first of these class actions, which alleges that charging cardholders fees on foreign currency transactions violates the CPA, went to trial in 2008. In a decision released in June 2009, the trial judge found in favour of the plaintiffs concluding that the CPA is constitutionally applicable to federally regulated financial institutions and awarding damages against all the defendants. The court awarded compensatory damages against CIBC in the amount of \$38 million plus an additional sum to be determined at a future date. The court awarded punitive damages against a number of the other defendants, but not against CIBC. CIBC and the other financial institutions appealed this decision. The appeal was heard by the Quebec Court of Appeal in September 2011. In August 2012, the Quebec Court of Appeal allowed the defendant banks'

appeals in part and overturned the trial judgment against CIBC. The plaintiffs and some of the defendant banks appealed to the Supreme Court of Canada, and that appeal was heard in February 2014. On September 19, 2014, the Supreme Court of Canada found that the relevant provisions of the CPA were constitutionally applicable to the banks, but that CIBC is not liable for damages because it fully complied with the CPA. Two of the proposed class actions were discontinued in January 2015. The remaining three proposed class actions have been settled subject to court approval. Pursuant to the proposed settlement CIBC will pay \$4.25 million to settle these three class actions. The court approval hearing was held in December 2016. In January 2017, the court did not approve CIBC's proposed settlement as it found the fees for plaintiffs' counsel were excessive and the end date for one of the actions was later than required. The plaintiffs' appeal, which was heard on September 1, 2017, was dismissed in March 2018. A further settlement approval hearing will be scheduled in 2019 to approve the revised proposed settlement for the same amount (\$4.25 million) for the same three class actions on terms acceptable to the court.

Since 2011, seven proposed class actions have been commenced against Visa Canada, Mastercard International, CIBC and numerous other financial institutions. The actions, brought on behalf of all merchants who accepted payment by Visa Canada or Mastercard International from March 2001 to the present, allege two "separate, but interrelated" conspiracies; one in respect of Visa Canada and one in respect of Mastercard International. The claims allege that Visa Canada and Mastercard International conspired with their issuing banks to set default interchange rates and merchant discount fees and that certain rules (Honour All Cards and No Surcharge) have the effect of increasing the merchant discount fees. The claims allege civil conspiracy, violation of the *Competition Act* (Canada), interference with economic interests and unjust enrichment. The claims seek unspecified general and punitive damages. The motion for class certification in the British Columbia action was granted in March 2014 with the class period commencing March 28, 2005. The appeal of the decision was heard in December 2014. In August 2015, the British Columbia Court of Appeal allowed the appeals in part, resulting in certain causes of action being struck and others being reinstated. The matter remains certified as a class action. The trial in the British Columbia action has been adjourned to October 2020. The motion for class certification in Quebec was granted in February 2018. The plaintiffs are appealing the decision.

In January 2018, a proposed class action was commenced in Quebec against CIBC and several other financial institutions. The plaintiffs allege that the defendants breached the Quebec *Consumer Protection Act* and the *Bank Act* (Canada) when they unilaterally increased the credit limit on the plaintiffs' credit cards. The claim seeks the return of all over-limit fees charged to Quebec customers beginning in January 2015 as well as punitive damages of \$500 per class member. The motion for class certification is scheduled for April 2019 in Quebec.

### **PROMOTER**

CIBC has taken the initiative in organizing the business of the Issuer and as such may be considered a "promoter" of the Issuer for the purposes of securities regulation in certain Canadian provinces and territories. The Trust will apply the proceeds of each offering of Notes to finance the acquisition of an Ownership Interest from CIBC.

Under the Financial Services Agreement, CIBC will provide services required in connection with the offering of Notes and the ongoing operations, maintenance and regulatory compliance of the Issuer.

### **UNDERTAKING**

The Issuer has filed with the local securities regulatory authority or regulator in each of the provinces and territories of Canada (the "**Securities Regulators**") an undertaking that the Issuer will not distribute asset backed securities that, at the time of distribution, are "novel" (as defined in the National Instrument) without pre-clearing with the applicable Securities Regulators the disclosure to be contained in the pricing supplement pertaining to the distribution of such novel securities.

### **PURCHASERS' STATUTORY RIGHTS OF ACTION**

Securities legislation in certain of the provinces and territories of Canada provides purchasers in those provinces and territories with the right to withdraw from an agreement to purchase securities. This right may only be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment, and any applicable pricing supplement relating to securities purchased by a purchaser. In several of the provinces and territories, securities legislation further provides purchasers with remedies for rescission or, in some jurisdictions,



revision of the price or damages if the prospectus or any amendment (including any pricing supplement) relating to securities purchased by a purchaser contains a misrepresentation or is not delivered to the purchaser, provided that such remedies for rescission, revision of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal advisor.

## GLOSSARY OF DEFINED CAPITALIZED TERMS

“**1933 Act**” has the meaning ascribed thereto under “**Plan of Distribution**” at page 40.

“**Account**” has the meaning ascribed thereto under “**The Account Assets — Account Selection Criteria**” at page 14.

“**Account Assets**” has the meaning ascribed thereto under “**The Account Assets — The Account Assets**” at page 15.

“**Account Records**” means the written records relating to the Accounts which are so designated by the Servicer.

“**Accumulation Commencement Day**” has the meaning ascribed thereto under “**Remittances — Accumulation Period**” at page 25.

“**Accumulation Period**” means, in respect of (i) a Series, the period, if any, specified as such in the related Series Purchase Agreement; and (ii) a Series held by the Trust, the period commencing on the related Accumulation Commencement Day and ending on the earliest of (x) the first Reporting Day on which the related Invested Amount is reduced to zero; (y) the related Amortization Commencement Day; and (z) the related Series Termination Date.

“**Accumulations Account**” means, in respect of a Series, the segregated Eligible Deposit Account established in the name of the related Co-Owner in accordance with the Pooling and Servicing Agreement and the related Series Purchase Agreement for the purpose of depositing therein all remittances made in respect of the related Ownership Interest.

“**Addition Cut-Off Date**” has the meaning ascribed thereto under “**The Account Assets — Addition of Accounts**” at page 15.

“**Addition Date**” has the meaning ascribed thereto under “**The Account Assets — Addition of Accounts**” at page 15.

“**Addition Notice**” has the meaning ascribed thereto under “**The Account Assets — Addition of Accounts**” at page 15.

“**Additional Account**” means a Credit Card Account added as an Account pursuant to the Pooling and Servicing Agreement.

“**Additional Funding Expenses**” means, in respect of a Series held by the Trust for any period of days, without duplication, all amounts due, owing or accruing due or owing from time to time by the Trust in respect of fees, expenses, debts, liabilities and obligations, direct or indirect, absolute or contingent, in respect of its ownership of the Series for such period, including amounts due, owing, accruing due or owing from time to time by the Trust (without duplication) in respect of:

- (a) Pool Expenses to be borne by the Trust (to the extent not already paid by the Custodian);
- (b) the related Series Allocable Percentage of the amount payable to the Indenture Trustee and the Note Issuance and Payment Agent under the Trust Indenture pursuant to the schedule of fees agreed upon by the Indenture Trustee and the Trust;
- (c) the related Series Allocable Percentage of the amount payable to the Issuer Trustee in its individual capacity under the Declaration of Trust pursuant to the schedule of fees agreed upon among the Issuer Trustee and the Trust;
- (d) the related Series Allocable Percentage of the amount payable to the Financial Services Agent;
- (e) any liability of the Trust for Taxes, if any, reasonably attributed to the Series;
- (f) the amount payable to the beneficiary pursuant to the Declaration of Trust for the period;

but shall not include expenses, debts, liabilities and obligations that have previously been included as Additional Funding Expenses.

“**Additional Ownership Interest**” means, in respect of a Series, an additional undivided co-ownership interest in the Account Assets transferred to the related Co-Owner.

“**Additional Property**” means, in respect of a Series, the rights and benefits provided in respect of the Series, or applicable class, pursuant to any letter of credit, surety bond, cash collateral account, spread account, guaranteed rate agreement, maturity liquidity facility, tax protection agreement, interest rate and/or currency swap agreement, loan agreement, enhancement agreement or other similar arrangement as contemplated under the Pooling and Servicing Agreement and as provided for in the related Series Purchase Agreement.

“**Additional Property Agreement**” means, in respect of Additional Property for a Series, the agreement, instrument or document governing the terms of the Additional Property, including the agreement, instrument or document under which the Additional Property is deposited with the Custodian and transferred to the Co-Owner of such Series.

“**Agent**” means with respect to any Series, the Person so designated in the related Series Purchase Agreement.

“**Aggregate Ownership Amount**” means, (i) for any day other than a Reporting Day, the sum of all Unadjusted Invested Amounts for such day; and (ii) for any Reporting Day, the sum of all Invested Amounts for all Series existing on such Reporting Day.

“**Aimia**” has the meaning ascribed thereto under “**Investment Considerations – Social, Legal, Economic and Other Factors**” at page 46.

“**Alternate Communications**” has the meaning ascribed thereto under “**Credit Card Business of Canadian Imperial Bank of Commerce — Client Account Management Procedures**” at page 11.

“**Amended and Restated Declaration of Trust**” has the meaning ascribed thereto under “**Transaction Structure Overview**” at page 4.

“**Amendment**” has the meaning ascribed thereto under the heading “**The Trust Indenture — Amendments to the Trust Indenture**” at page 35.

“**Amortization Commencement Day**” means, (i) in respect of a Series, the earlier to occur of (x) the day specified as such in the related Series Purchase Agreement; and (y) the day on which funds are required to be deposited into the Collection Account as the purchase price of the Ownership Interests of such Series; and (ii) in respect of a Series held by the Trust, has the meaning ascribed thereto under “**Remittances — Amortization Period**” at page 27.

“**Amortization Event**” has the meaning ascribed thereto under “**Remittances — Amortization Period**” at page 26.

“**Amortization Period**” means, in respect of a Series, a period commencing on the Amortization Commencement Day with respect to the Series and ending on the earliest to occur of (i) the first Reporting Day thereafter when the related Invested Amount is zero; (ii) a day on which the related Amortization Event has been rescinded and annulled in accordance with the related Series Purchase Agreement; and (iii) the related Series Termination Date.

“**Asset Interests**” means (i) the Ownership Interests purchased by the Trust pursuant to the Pooling and Servicing Agreement and one or more Series Purchase Agreements, including, without limitation, undivided co-ownership interests in Receivables originated or acquired by the Seller and its affiliates; and (ii) any other rights, interests and benefits acquired by the Trust pursuant to the Programme Agreements.

“**Available Cash Reserve Amount**” means, on any day in respect of a Series, the amount, if any, on deposit in the related Cash Reserve Account on such day following the making of any deposits into or withdrawals therefrom.

“**Bill C-86**” has the meaning ascribed thereto under “**Investment Considerations – Consumer Protection Laws and Legislative Developments**” at page 49.

“**Book Entry Note Owner**” has the meaning ascribed thereto under “**Book Entry Registration**” at page 41. “**Book-Entry Notes**” has the meaning ascribed thereto under “**Book Entry Registration**” at page 41.

“**Business Day**” means any day of the year, other than a Saturday or Sunday or other day on which banks in the City of Toronto are not open for business.

“**Calculation Day**” means, in respect of a Series for a Reporting Period, the third Business Day preceding the related Transfer Date for such Series for the Reporting Period.

“**Card Income**” means, in respect of an Account, any Receivable billed to an Obligor under the related Cardholder Agreement in respect of (i) interest or other finance charges, net of small balance adjustments, goodwill adjustments and other ordinary course adjustments but including return cheque fees, billed by the Seller or by the Servicer, in each case in accordance with its practices and procedures relating to its credit card business; (ii) annual membership fees, if any, in respect of the Account; (iii) cash advance fees and credit card cheque fees; (iv) additional card issuance fees; (v) foreign exchange conversion fees; (vi) statement and sales draft copying charges; (vii) foreign cheque cashing fees; (viii) inactive account fees; (ix) administrative fees and late charges with respect to the Account; (x) amounts in respect of any other fees or amounts with respect to the Account which are designated by the Seller by notice to the Custodian at any time and from time to time to be included as Card Income; and “**Cards Income**” shall mean (xi) for or in respect of any particular Business Day, the aggregate of all such amounts billed on all Accounts after the end of the immediately preceding Business Day and at or before the end of the particular Business Day; and (xii) for or in respect of a Reporting Period or a period of days in a Reporting Period, the aggregate of all such amounts billed on all Accounts after the end of the immediately preceding Reporting Period and at or before the end of such Reporting Period or period of days; provided that the amount of Card Income determined pursuant to clause (i) above shall be reduced by an amount equal to reversals for interest or other finance charges included in Defaulted Amounts.

“**Cardholder Agreement**” means, in respect of a credit card account, the agreement or agreements between the Seller and the cardholder governing the use of such account, as any such agreement or agreements may be amended, modified or otherwise changed by the Seller from time to time.

“**Cash Reserve Account**” means, in respect of a Series held by the Trust, the segregated Eligible Deposit Account established in the name of the Custodian as agent for the Seller and the Trust and designated as the Cash Reserve Account for the Series for the purposes set out in the related Series Purchase Agreement.

“**Cash Reserve Draw**” means, in respect of a Series held by the Trust, the amount which the Trust is entitled to withdraw from the Cash Reserve Account for the Series on any Transfer Date for the related Reporting Period, which amount shall be equal to the lesser of (i) the related Available Cash Reserve Amount (less the amounts deposited to the Cash Reserve Account in respect of the related Pre-Accumulation Reserve Period); and (ii) the Cumulative Deficiency, if any, for the Series for such Reporting Period.

“**Cash Reserve Event**” shall occur in respect of a Series held by the Trust if, on a Calculation Day, the number, expressed as a percentage (the “**Excess Spread Percentage**”), equal to twelve times:

- (a) the average Ownership Finance Charge Receivables for the Series during the three Reporting Periods preceding such Calculation Day;

minus

- (b) the sum of the Series Interest and Additional Funding Expenses (less any investment income received in respect of amounts on deposit in the Accumulations Account and the applicable Pre-Accumulation Available Amount, if any), the Series Pool Losses and the Contingent Successor Servicer Amount, in each case, for the Series averaged over the three Reporting Periods preceding such Calculation Day;

divided by

- (c) the Invested Amount of the Series averaged over the three Reporting Days preceding such Calculation Day;

is less than or equal to 4% and shall end on the Calculation Day on which the Excess Spread Percentage (utilizing, in the foregoing calculation, the three Reporting Periods and Reporting Days, as applicable, preceding such Calculation Day) exceeds 4%.

“**CDOR**” has the meaning ascribed thereto under “**Investment Considerations – Changes or Uncertainty in Respect of CDOR May Adversely Affect the Value of Notes**” at page 50.

“**CDS**” means CDS Clearing and Depository Services Inc. and its successors and assigns.

“**CIBC**” means Canadian Imperial Bank of Commerce and its successors.

“**CIBC Capital Markets**” means CIBC World Markets Inc. and its successors.

“**Class**” means, in respect of a Series, any one of the classes of Ownership Interests, if any, of that Series, in each case having the same attributes as all Ownership Interests of the same class within the Series as specified in the Series Purchase Agreement for the Series.

“**Closing Date**” means, in respect of a Series, the date specified as such in the related Series Purchase Agreement (and set out in the applicable pricing supplement).

“**Collection Account**” has the meaning ascribed thereto under “**Collections — Collection Account**” at page 21.

“**Collections**” means all payments (including Recoveries under Defaulted Accounts) received by the Servicer:

- (a) from or on behalf of any Obligor or any other relevant Person in respect of Account Assets;
- (b) from the Seller in respect of the Pool Interchange Amount; and
- (c) Deemed Collections;

as adjusted for the credit adjustments made by the Seller to an Account as a result of a refund, return or refusal of products by, or a rebate for the services provided to, the Obligor and shall mean (i) in respect of any period of days, all such amounts received by the Servicer during such period; and (ii) in respect of any Business Day, all such amounts received by the Servicer before the close of business on such day and after the close of business on the immediately preceding Business Day.

“**Contingent Successor Servicer Amount**” means, in respect of a Series held by the Trust and any Reporting Period, the amount equal to one-twelfth of the product of (i) 2%; and (ii) the Invested Amount of the Series on the related Reporting Day.

“**Controlled Accumulation Principal Amount**” means, in respect of a Series held by the Trust, (i) the amount specified in the related Series Purchase Agreement (and set out in the applicable pricing supplement); and (ii) otherwise, an amount equal to the Unadjusted Invested Amount of the Series as of the related Accumulation Commencement Day divided by the number of Transfer Dates included in the period commencing in the Reporting Period after the Reporting Period in which the Accumulation Commencement Day occurs to and including the related Targeted Principal Distribution Date.

“**Co-Owner**” means a Person who owns an Ownership Interest and a Co-Owner of a Series means a Person who owns an Ownership Interest of the Series.

“**Co-Owner Direction**” means a direction provided pursuant to the Pooling and Servicing Agreement concerning actions and decisions made by the Co-Owners in respect of a single Series or more than one Series, as the case may be.

“**CPA**” has the meaning ascribed thereto under “**Legal Proceedings**” at page 59.

“**CRA**” has the meaning ascribed thereto under “**Certain Canadian Federal Income Tax Considerations**” at page 56.

“**CRS Rules**” has the meaning ascribed thereto under “**Investment Considerations – International Information Reporting**” at page 55.

“**Credit Card Account**” means a credit card account established by the Seller on which one or more credit cards identified in each case by a Specified Account Designation have been issued and which provide for the extension of credit on a revolving basis by the Seller to the cardholder under the related Cardholder Agreement to (i) finance the purchase of products and services from Persons that accept a Specified Account Designation credit card as a method of payment for such products and services; and (ii) obtain cash advances directly or indirectly by way of credit card cheques and balance transfers, and provided that the foregoing criteria are met, shall also include any co-labelled or co-branded Specified Account Designation credit card accounts.

“**Credit Enhancement**” means any form of credit enhancement (howsoever characterized) for any Obligations Secured or any Asset Interests, including, without limitation, any letter of credit, any insurance policy, surety bond, cash reserve account, spread account, guaranteed rate agreement, liquidity facility, tax protection agreement or other similar agreement established for the benefit of the lender of money or the holders of such Notes.

“**Credit Enhancement Agreement**” means any credit enhancement agreement entered into between the Trust or the Custodian and one or more Persons providing Credit Enhancement to the Trust or the Custodian.

“**Credit Enhancer**” means any Person providing any form of Credit Enhancement for any Obligations Secured or any Asset Interest to the Trust or the Custodian pursuant to a Credit Enhancement Agreement and any successor or assign of such Person; provided that any such Person has the Required Rating or otherwise satisfies the Rating Agency Condition.

“**Cumulative Cash Reserve Draws**” means, at any time in respect of a Series held by the Trust, an amount equal to all withdrawals made by the Trust from the related Cash Reserve Account in accordance with the related Series Supplement at such time or prior thereto other than withdrawals of amounts deemed to have been deposited in respect of the related Pre-Accumulation Reserve Period.

“**Cumulative Deficiency**” means, in respect of a Series held by the Trust and any Reporting Period, an amount, which shall not be less than zero, equal to:

- (a) the Cumulative Deficiency of the Series on the immediately preceding Reporting Day;
- plus
- (b) the excess, if any, of (i) the Series Pool Losses; over (ii) the Ownership Finance Charge Receivables, in each case, of the Series for the Reporting Period;
- plus
- (c) the excess, if any, of (i) the Ownership Income Requirement; over (ii) the Ownership Income Limitation, in each case, of the Series for such Reporting Period;
- minus
- (d) the lesser of (i) the Cumulative Deficiency of the Series on the immediately preceding Reporting Day, and (ii) the excess, if any, of (x) the Ownership Income Limitation; over (y) the Series Interest and Additional Funding Expenses, in each case, of the Series on the related Reporting Day;
- minus

- (e) the amount transferred to the related Accumulations Account during such Reporting Period on account of Excess Requirements.

“**Custodian**” means Computershare Trust Company of Canada, successor in interest to Montreal Trust Company of Canada, in its capacity as agent and bailee, under the Pooling and Servicing Agreement, and any successor agent appointed in accordance with the terms of the Pooling and Servicing Agreement.

“**Daily Interchange Amount**” means for each Business Day during a Reporting Period, an amount equal to the quotient of (i) the product of (x) 2%; and (y) the Pool Balance on the immediately preceding Business Day; divided by (ii) the number of Business Days in the then applicable calendar year, subject to any adjustment by the Seller; provided that to the extent the Daily Interchange Amount on such Business Day is less than the Pool Interchange Fees received by the Seller on such day, then the Daily Interchange Amount for such Business Day shall be increased to be an amount equal to such Pool Interchange Fees.

“**Date of Processing**” means, in respect of a transaction, the date on which such transaction is recorded on the Servicer’s credit management system, without regard to the effective date of such recordation.

“**DBRS**” means DBRS Limited and its successors.

“**Dealer Agreement**” has the meaning ascribed thereto under “**Plan of Distribution**” at page 39.

“**Dealers**” has the meaning ascribed thereto under “**Plan of Distribution**” at page 39.

“**Declaration of Trust**” has the meaning ascribed thereto under “**Transaction Structure Overview**” at page 4.

“**Deemed Collection**” means an amount required to be deposited by the Seller or Servicer to the Collections Account including any described under “**The Account Assets — Removal of Accounts**” and “**— Mandatory Purchase**” in respect of applicable Receivables and Account Assets.

“**Defaulted Account**” means, at any time, any Account (i) which is in arrears for a period of 180 days or more following the date on which the minimum payment requirement thereunder was initially due and payable, as determined in accordance with the Servicer’s practices and procedures; or (ii) is written off as uncollectible in accordance with the Servicer’s practices and procedures.

“**Defaulted Amount**” means, at any time, the sum of the outstanding amounts of all Receivables under all Accounts that are Defaulted Accounts at such time.

“**Definitive Notes**” has the meaning ascribed thereto under “**Book-Entry Registration**” at page 41.

“**Designated Account**” has the meaning ascribed thereto under “**The Account Assets — Removal of Accounts**” at page 16.

“**Designated Balance**” has the meaning ascribed thereto under “**The Account Assets — Removal of Accounts**” at page 17.

“**Designated Portfolios**” has the meaning ascribed thereto under “**The Account Assets — Account Selection Criteria**” at page 14.

“**Designated Rating**” means a credit rating from a Designated Rating Organization, from a DRO affiliate of a Designated Rating Organization, from a Designated Rating Organization that is a Successor Credit Rating Organization of a Designated Rating Organization or from a DRO affiliate of such Successor Credit Rating Organization, that is at or above one of the following corresponding rating categories or that is at or above a category that replaces one of the following corresponding rating categories:

Designated Rating Organization	Long-Term Debt
DBRS.....	BBB
Moody's.....	Baa
S&P.....	BBB
Fitch.....	BBB

“**Designated Rating Organization**” means (a) if designated under securities legislation, any of (i) DBRS, Moody’s, S&P and Fitch, or (ii) a Successor Credit Rating Organization of a credit rating organization listed in subparagraph (i), or (b) any other credit rating organization designated under securities legislation.

“**Discount Option Receivable**” has the meaning ascribed thereto under “**The Account Assets — Discount Option**” at page 19.

“**Discount Percentage**” has the meaning ascribed thereto under “**The Account Assets — Discount Option**” at page 19.

“**DLT**” has the meaning ascribed thereto under “**Investment Considerations – Social, Legal, Economic and Other Factors**” at page 46.

“**DRO Affiliate**” means an affiliate of a Designated Rating Organization that issues credit ratings in a foreign jurisdiction and that has been designated as a DRO affiliate under the terms of the Designated Rating Organization’s designation.

“**Eligible Credit Card Account**” means a Credit Card Account established by the Seller on which one or more credit cards have been issued pursuant to the related Cardholder Agreement and in accordance with the Visa Manual, the Mastercard Rules, or the by-laws or regulations of any other similar entity or organization relating to the Credit Card Accounts which provides for the extension of credit on a revolving basis by the Seller to the cardholder under the related Cardholder Agreement to (i) finance the purchase of products and services from Persons that accept a Specified Account Designation credit card as a method of payment for such products and services; and/or (ii) obtain cash advances directly or indirectly by way of credit card cheques and balance transfers, and which is not a Secured Account.

“**Eligible Deposit Account**” means, in respect of the Collection Account, an account that satisfies all of the criteria applicable to an Eligible Deposit Account set forth in each Series Purchase Agreement and each Additional Property Agreement and, in respect to a Series Account of a Series, an account that satisfies all of the criteria applicable to an eligible deposit account set forth in the related Series Purchase Agreement and each related Additional Property Agreement.

“**Eligible Investments**” means, in respect of each Series held by the Trust, investments that are negotiable instruments or securities represented by instruments in bearer or registered form which evidence:

- (a) obligations issued or fully guaranteed as to both credit and timeliness by the Government of Canada;
- (b) (i) short-term or long-term unsecured debt obligations issued or fully guaranteed by any province, territory or municipality of Canada; (ii) deposits, call loans, notes, bankers’ acceptances and subordinated debentures issued or accepted by any Canadian Schedule I bank or any Canadian Schedule II bank; or (iii) commercial paper, term deposits, secured bonds and senior unsecured obligations of any Canadian corporation, in each case, provided that such securities are rated at least as follows by each of the referenced rating agencies which is a related Rating Agency:
  - (i) “R-1 (low)” (short term) or “A” (long term) from DBRS;
  - (ii) “Prime-1” (short term) or “A2” (long term) from Moody’s;
  - (iii) “A-1+” (short term) or “AA-” (long term) from S&P; and



- (iv) if such securities are rated by Fitch, “F1+” (short term) or “AA-” (long term) from Fitch for securities that are scheduled to mature greater than 30 days following the date of investment, and “F1” (short term) and “A” (long term) from Fitch for securities that are scheduled to mature within 30 days of the date of the investment;
- (c) asset-backed commercial paper issued by a conduit administered by a Canadian financial institution and backed by global style liquidity, provided that such asset backed commercial paper is rated at least as follows by each of the referenced rating agencies which is a related Rating Agency, provided that if Fitch is a related Rating Agency but such asset-backed commercial paper is not rated by Fitch, such asset-backed commercial paper will be rated at least as follows by each of DBRS and Moody’s so long as each of DBRS and Moody’s is a related Rating Agency, and if only one of DBRS and Moody’s is a related Rating Agency, such asset-backed commercial paper will be rated at least as follows by the one of DBRS or Moody’s that is a related Rating Agency:
- (i) “R-1 (high) (sf)” (short term) from DBRS;
  - (ii) “Prime-1 (sf)” (short term) from Moody’s;
  - (iii) “A-1+ (sf)” (short term) from S&P; and
  - (iv) if such asset-backed commercial paper is rated by Fitch, “F1+sf” (short term) from Fitch; and
- (d) money market funds from any Canadian mutual fund company, if such funds are approved in writing by the related Rating Agencies, or if such funds receive a rating or an approval, as the case may be, at least as follows from each of the referenced rating agencies which is a related Rating Agency:
- (i) “AAA” from DBRS;
  - (ii) “Aaa-mf” from Moody’s;
  - (iii) “AAAm” from S&P; and
  - (iv) if such securities are rated by Fitch, “AAAmmf” from Fitch,

subject to any provisions set out in the applicable pricing supplement, including ratings which may be lower than the ratings set out above.

“**Entitled Party**” means, a Person, other than the Seller, who provides Additional Property pursuant to the related Additional Property Agreement.

“**Excess Collections**” has the meaning ascribed thereto under “**Collections — Excess Collections**” at page 22.

“**Excess Requirement**” has the meaning ascribed thereto under “**Collections — Excess Collections**” at page 22.

“**Excess Spread Percentage**” has the meaning ascribed thereto in the definition of “**Cash Reserve Event**”.

“**Extraordinary Resolution**” means a resolution passed at a duly convened meeting of Noteholders, or the Noteholders of a particular Series of Notes (or of a class thereof), as the case may be, by the favourable votes of the holders of not less than 66 $\frac{2}{3}$ % of the aggregate principal amount of such Series of Notes (or class thereof) represented in person or by proxy at the meeting.

“**Finance Charge Receivables**” means, in respect of a Reporting Period, the sum of (i) Cards Income for such Reporting Period; (ii) the sum of the Pool Interchange Amounts for each day occurring in such Reporting Period; and (iii) any Discount Option Receivables.

**“Financial Services Agent”** means CIBC or any other Person appointed in accordance with the Financial Services Agreement.

**“Financial Services Agreement”** has the meaning associated thereto under **“CARDS II Trust — Financial Services Agent”** at page 8.

**“Fitch”** means Fitch Ratings, Inc. and its successors.

**“Floating Allocation Percentage”** means, in respect of Series, for any Reporting Period, the fraction, expressed as a percentage, (i) the numerator of which is the Unadjusted Invested Amount of the Series on the Reporting Day related to such Reporting Period; and (ii) the denominator of which is the Pool Balance on such Reporting Day.

**“Funding Commitments”** means, in respect of a Series held by the Trust, the payment obligations of the Trust incurred from time to time to finance, directly or indirectly, its investment in the Series, including all principal, interest and premium of and all indebtedness of the Trust under the related Notes and all other borrowed money, the capital from which is applied by the Trust to finance, directly or indirectly, its investment in the Series.

**“High Rating”** means, in respect of a Series held by the Trust, a rating specified as such in the related Series Purchase Agreement and set out in the applicable pricing supplement.

**“Holder”** has the meaning ascribed thereto under **“Certain Canadian Federal Income Tax Considerations”** at page 56.

**“Inactive Account”** means, at any time, an Account which has a nil balance and has been inactive for a period of three months or longer.

**“Indenture Trustee”** means BNY Trust Company of Canada and its successors.

**“Initial Invested Amount”** has the meaning ascribed thereto under **“Ownership Interests — The Invested Amount”** at page 20.

**“Interchange Fees”** means the aggregate amount of interchange fees paid or payable to CIBC by other financial institutions that clear transactions for merchants in respect of all Credit Card Accounts which are owned by CIBC as a credit card issuing financial institution and designated by CIBC from time to time and notified in writing to the Custodian (which Credit Card Accounts, for greater certainty, continue to be the Credit Card Accounts comprising the Designated Portfolios including the Accounts).

**“Interest”** means, in respect of a Series held by the Trust for each day or for any period of days during a Reporting Period, the aggregate of all interest properly due and accruing in accordance with Canadian generally accepted accounting principles by the Trust with respect to such day or period of days in relation to the related Funding Commitments without duplicating amounts included as Additional Funding Expenses for such day or period of days.

**“Interest Payment Date”** means, in respect of a Series held by the Trust (i) prior to the related Amortization Commencement Day, the days specified as such in the related Series Supplement (and set out in the applicable pricing supplement) or if any such day is not a Business Day, the next succeeding Business Day; and (ii) thereafter, each Transfer Date.

**“Invested Amount”** has the meaning ascribed thereto under **“Ownership Interests — The Invested Amount”** at page 20.

**“Issuer”** means CARDS II Trust<sup>®</sup>.

**“Issuer Trustee”** means Montreal Trust Company of Canada and its successors.

**“Mastercard accounts”** has the meaning ascribed thereto under **“Transaction Structure Overview — CIBC Credit Card Accounts”** at page 5.

“**Mastercard International**” means Mastercard International Incorporated, a corporation incorporated under the laws of the State of Delaware, in the United States of America, and its successors and assigns.

“**Mastercard Rules**” means the by-laws and operating regulations of Mastercard International and all other relevant operating procedures, policies and standards relating to the Mastercard International payment network and such other materials that Mastercard International may compile and identify as forming part of the Mastercard Rules, all as amended and updated from time to time.

“**Mastercard Service and License Agreements**” means the agreements of the Seller with Mastercard International entitling the Seller to the continued non-exclusive right and privilege in Canada to use and participate in the Mastercard International payment network, to receive the services provided therein and to use the trademarks of Mastercard International or its affiliates.

“**Material Contracts**” has the meaning ascribed thereto under “**Material Contracts**” at page 56.

“**Middle Rating**” means, in respect of a Series held by the Trust, a rating specified as such in the related Series Purchase Agreement and set out in the applicable pricing supplement.

“**Monthly Accumulation Principal Amount**” means, in respect of a Series held by the Trust on any Reporting Day, the lesser of (i) the related Controlled Accumulation Principal Amount plus the amount of any unpaid Controlled Accumulation Principal Amounts for any previous Reporting Periods; and (ii) the Invested Amount of the Series, in each case, on such Reporting Day.

“**Moody’s**” means Moody’s Canada Inc. and its successors.

“**MTN Program**” has the meaning ascribed thereto on the cover page.

“**National Instrument**” has the meaning ascribed thereto on the cover page.

“**Non-Resident Holder**” has the meaning ascribed thereto under “**Certain Canadian Federal Income Tax Considerations — Non-Residents of Canada**” at page 58.

“**Note Issuance and Payment Agent**” means CIBC.

“**Noteholders**” means the holders of the Notes.

“**Notes**” means, in respect of an Ownership Interest, the credit card receivables backed notes of the Issuer issued in order to finance the purchase of such Ownership Interest.

“**Obligations Secured**” means all present and future debts, expenses and liabilities, direct or indirect, absolute or contingent, due, owing or accruing due or owing from time to time by the Trust to Noteholders in their capacity as such.

“**Obligor**” has the meaning ascribed thereto under “**Transaction Structure Overview — CIBC Credit Card Accounts**” at page 5.

“**Over-Limit Amount**” has the meaning ascribed thereto under “**Credit Card Business of Canadian Imperial Bank of Commerce — Billing and Payments**” at page 12.

“**Ownership Allocable Collections**” means, for or in respect of a Series for a Business Day, the product of:

- (a) (i) if the Series is in its Revolving Period, the Series Revolving Percentage for the day in respect of the Series; and (ii) if the Series is in its Accumulation Period or an Amortization Period (x) until the Invested Amount (excluding the amounts with respect to the Series Maturity Enhancement Entitlement in subsection (c) of the definition of “Invested Amount”) of the Series has been reduced to zero, the related Series Accumulation Percentage; and (y) thereafter until the earlier of (A) the day

on which any related Series Enhancement Entitlement and any related Series Maturity Enhancement Entitlement have both been reduced to zero; and (B) the Series Termination Date, the Series Enhancement Percentage, in each case, for the day in respect of the Series; and

- (b) the amount of Collections for the day,

provided, however, that if for the day the sum of (i) for each Series in its Revolving Period, the Series Revolving Percentage for the day in respect of such Series; and (ii) for each Series in its Accumulation Period or an Amortization Period, the Series Accumulation Percentage or Series Enhancement Percentage, as the case may be, for the day in respect of such Series, exceeds 100.0%, then the Ownership Allocable Collections for a Series for the day shall mean a *pro rata* allocation of Collections received by the Servicer for the day based on such Series Revolving Percentages, Series Accumulation Percentages or Series Enhancement Percentage, as the case may be.

**“Ownership Finance Charge Receivables”** means, in respect of a Series for a Reporting Period, an amount equal to the product of (i) the Floating Allocation Percentage for the Series for the Reporting Period; and (ii) the Finance Charge Receivables billed or payable, as the case may be, for the Reporting Period.

**“Ownership Income Limitation”** means, in respect of a Series for a Reporting Period, an amount equal to the amount, if any, by which:

- (a) the Ownership Finance Charge Receivables for the Reporting Period in respect of the Series; exceeds,
- (b) the Series Pool Losses for the Reporting Period in respect of the Series.

**“Ownership Income Requirement”** means, in respect of (i) a Series for a Reporting Period, an amount specified as such to be calculated or otherwise determined pursuant to the related Series Purchase Agreement, plus (without duplication) the amount of Pool Expenses in respect of the Series for such Reporting Period; and (ii) a Series held by the Trust for a Reporting Period, an amount, which is not less than zero and is equal to the sum of (x) the related Series Interest and Additional Funding Expenses, if any, in respect of the related Reporting Day, and (y) the sum of the related Unpaid Interest Payments and Unpaid Additional Funding Expenses in respect of any previous Reporting Period.

**“Ownership Interest”** has the meaning ascribed thereto under “Transaction Structure Overview — Ownership Interests” at page 4.

**“Partial Commingling Amortization Event”** has the meaning ascribed thereto under “Remittances — Amortization Period” at page 27.

**“Partial Commingling Condition”** means a requirement that:

- (a) an asset test be conducted by the Servicer on each Business Day during the Revolving Period to ensure that the Pool Balance as of the close of business on such day is at least equal to the Required Pool Amount;
- (b) a daily monitoring of the occurrence of any Amortization Event be completed by the Servicer during the Revolving Period; and
- (c) on or before the fifth Business Day following each calendar month during the Revolving Period and unless there has been a breach of the daily asset test described in clause (a) above or an Amortization Event has occurred during such calendar month, the Servicer shall have delivered to the Rating Agencies an officer’s certificate confirming that (i) the daily asset test referred to in clause (a) above has been completed by the Servicer on each Business Day of such calendar month and that no breach of the daily asset test occurred on any Business day during such calendar month, and (ii) no Amortization Event has occurred on or prior to the last Business Day of such calendar month.

“**Participant**” has the meaning ascribed thereto under “**Book Entry Registration**” at page 41.

“**Participating Debt Interest**” has the meaning ascribed thereto under “**Certain Canadian Federal Income Tax Considerations — Non-Residents of Canada**” at page 58.

“**Permitted Liens**” has the meaning ascribed thereto under “**The Trust Indenture — Certain Covenants**” at page 34.

“**Person**” means any individual, corporation, estate, partnership, joint venture, association, joint stock company, trust (including any beneficiary thereof), unincorporated organization or government or any agency or political subdivision thereof.

“**Pool Balance**” has the meaning ascribed thereto under “**The Account Assets — The Receivables**” at page 15.

“**Pool Data**” has the meaning ascribed thereto under “**Exemption From Certain Provision of Form 44-101F1**” at page 2.

“**Pool Expenses**” means, for any period of days, collectively, all fees and all expenses subject to reimbursement under the Pooling and Servicing Agreement and under any applicable Series Purchase Agreement for such period which are payable to:

- (a) the Custodian;
- (b) any Successor Servicer except to the extent not otherwise paid directly by CIBC pursuant to the Pooling and Servicing Agreement; and
- (c) the independent auditors in respect of the annual report to be provided under the Pooling and Servicing Agreement.

“**Pool Interchange Amount**” means, for each Business Day during a Reporting Period, an amount equal to the sum of (i) the lesser of (x) the Pool Interchange Fees received by the Seller on such day; and (y) the Daily Interchange Amount; and (ii) any Pool Interchange Deficiency from any previous day.

“**Pool Interchange Deficiency**” means, for each Business Day during a Reporting Period, the excess, if any, of (i) the Daily Interchange Amount for such day; over (ii) the Pool Interchange Fees received by the Seller on such day.

“**Pool Interchange Fees**” means, for each Business Day during a Reporting Period, an amount equal to the product of (i) a fraction, the numerator of which is the aggregate amount of the Receivables on such day and the denominator of which is the aggregate amount of all amounts owing by Obligor under or in respect of all Credit Card Accounts designated by the Seller from time to time and notified in writing to the Custodian (which Credit Card Accounts, for greater certainty, continue to be the Credit Card Accounts comprising the Designated Portfolios including the Accounts) and owned by the Seller on such day; and (ii) the aggregate amount of Interchange Fees received by the Seller on such day.

“**Pool Losses**” means, for any Reporting Period, an amount equal to the amounts that became Defaulted Amounts during such Reporting Period (other than the amount of any reductions referred to in the proviso at the end of the definition of “Card Income”) less any Recoveries received in such Reporting Period (which amount may be a negative amount).

“**Pooling and Servicing Agreement**” has the meaning ascribed thereto under “**Transaction Structure Overview — Pool of Receivables**” at page 5.

“**Portfolio**” means a group of Credit Card Accounts with the same Specified Account Designation established by the Seller under a Cardholder Agreement.

“**Portfolio Designation Date**” has the meaning ascribed thereto under “**The Account Assets — Designation of Portfolios**” at page 16.

“**Portfolio Designation Notice**” has the meaning ascribed thereto under “**The Account Assets — Designation of Portfolios**” at page 16.

“**Pre-Accumulation Available Amount**” means, in respect of a Series held by the Trust, such portion of the amounts in respect of the Pre-Accumulation Reserve Period on deposit in the Cash Reserve Account for such Series equal to the amount by which (a) the Series Interest and Additional Funding Expenses for such Series for the related Reporting Period, prior to the application of such portion, less the accrued and received investment income to which the Trust is entitled for such Series for such Reporting Period (and in the case of the final Reporting Period, less the accrued and received investment income to which the Trust is entitled for such Series for the final Reporting Period and the period between the end of the final Reporting Period and the Targeted Principal Distribution Date for such Series) in respect of amounts on deposit in the Accumulations Account for such Series in respect of such determination exceeds (b) the Ownership Income Limitation for such Series for such Reporting Period, which amount is available to be withdrawn from the Cash Reserve Account on the Targeted Principal Distribution Date for such Series; provided that, if a Pre-Accumulation Available Amount is applied in respect of a particular Reporting Period, such Pre-Accumulation Available Amount shall not be applied in respect of other Reporting Periods.

“**Pre-Accumulation Reserve Period**” means, in respect of a Series held by the Trust, the period commencing on the earlier of (i) the day specified by the Servicer in a written notice delivered to the Issuer Trustee, the Financial Services Agent, the Custodian and the Seller; and (ii) the date that is three months prior to the related Accumulation Commencement Day, and ending on the related Targeted Principal Distribution Date.

“**Principal Payment Date**” means, in respect of a Series held by the Trust at any time (i) other than during the related Amortization Period, the related Targeted Principal Distribution Date; and (ii) during the Amortization Period, each Transfer Date.

“**Principal Receivables**” means all Receivables other than (i) Finance Charge Receivables; and (ii) Receivables in Defaulted Accounts.

“**Programme Agreements**” means the Trust Indenture, the Declaration Trust, the Financial Services Agreement and all other applicable agreements as set out in the Trust Indenture.

“**Promoter**” means CIBC.

“**Purchase Date**” has the meaning ascribed thereto under “**Ownership Interests — Clean-Up Repurchase Option**” at page 20.

“**RDSPs**” has the meaning ascribed thereto under “**Eligibility for Investment**” at page 2.

“**RESPs**” has the meaning ascribed thereto under “**Eligibility for Investment**” at page 2.

“**RRIFs**” has the meaning ascribed thereto under “**Eligibility for Investment**” at page 2.

“**RRSPs**” has the meaning ascribed thereto under “**Eligibility for Investment**” at page 2.

“**Rating Agency**” means, in respect of a Series, Class or any securities which are serviced primarily with the entitlements to collections therefor (“**Related Securities**”), each rating agency, if any, specified in the related Series Purchase Agreement to rate such Series, Class or Related Securities and which is then rating such Series, Class or Related Securities at the request of the related Co-Owner.

“**Rating Agency Condition**” means, with respect to any Series, Class or Related Securities, a condition which is met when, after the delivery of notice of any action or condition has been made to each Rating Agency, either (i) each Rating Agency advises the Co-Owners of the Series or Class or their Agent in writing that such action or condition will not result in a reduction or withdrawal of the rating in effect immediately before the taking of such action or condition in respect of the Series, Class or Related Securities; or (ii) in the case of Moody’s, if Moody’s is a Rating Agency and has not provided the written confirmation referred to in clause (i) above, the Co-Owners of the Series or Class or their Agent have confirmation that 10 Business Days’ prior written notice has been received by Moody’s (or such lesser

period of time as Moody's may agree) of such action or condition and Moody's has not advised the Co-Owners of the Series or Class or their Agent in writing that such action or condition will result in a reduction or withdrawal of the rating in effect immediately before the taking of such action or condition in respect of the Series, Class or Related Securities.

**"Receivables"** has the meaning ascribed thereto under **"The Account Assets — The Receivables"** at page 15.

**"Recoveries"** means, for a day, all collections received by the Servicer on a day in respect of an Account which is on the day a Defaulted Account.

**"Regulations"** has the meaning ascribed thereto under **"Certain Canadian Federal Income Tax Considerations"** at page 56.

**"Related Account"** means an Account under which a new credit account number or a new account identifier has been issued to the Servicer or the Seller under circumstances resulting from a lost or stolen credit card relating to such Account and not requiring standard application and credit evaluation procedures.

**"Related Asset Interests"** means, in respect of any Series of Notes, the Asset Interests, the purchase by the Issuer of which was financed or refinanced by the issuance of such Series of Notes.

**"Related Clearing Agency"** means, in respect of any Series of Notes, CDS or any other organization registered as a clearing agency under applicable law which may be specified in the Series Supplement.

**"Related Collateral"** has the meaning ascribed thereto under **"The Trust Indenture — Security and Limited Recourse"** at page 34.

**"Related Collateral Accounts"** means, in respect of any Series of Notes, those accounts into which related Collections and the proceeds of the sale of any Related Collateral are to be deposited pursuant to the terms of the Trust Indenture.

**"Related Collections"** means, in respect of any Series of Notes, all Collections with respect to the Asset Interests the purchase of which was financed by the issuance of such Series of Notes.

**"Related Credit Enhancement Agreement"** means a Credit Enhancement Agreement pursuant to which Credit Enhancement has been provided in respect of Related Asset Interests or Related Obligations Secured.

**"Related Credit Enhancer"** means a Credit Enhancer under a Related Credit Enhancement Agreement.

**"Related Event of Possession"** has the meaning ascribed thereto under **"The Trust Indenture — Related Events of Possession"** at page 34.

**"Related Obligations Secured"** has the meaning ascribed thereto under **"The Trust Indenture — Security and Limited Recourse"** at page 34.

**"Related Securities"** has the meaning ascribed thereto in the definition of **"Rating Agency"**.

**"Remaining Billed Balance"** has the meaning ascribed thereto under **"Credit Card Business of Canadian Imperial Bank of Commerce — Billing and Payments"** at page 12.

**"Remittance Notice"** means a notice provided by a Co-Owner to the Servicer specifying each remittance which the Servicer is obligated to make to the Co-Owner in respect of its Ownership Interest.

**"Removal Cut-Off Date"** means, with respect to a Removed Account, the date specified as such in the Removal Notice delivered with respect thereto.

**"Removal Date"** has the meaning ascribed thereto under **"The Account Assets — Removal of Accounts"** at page 16.

“**Removal Notice**” has the meaning ascribed thereto under “**The Account Assets — Removal of Accounts**” at page 17.

“**Removed Accounts**” has the meaning ascribed thereto under “**The Account Assets — Removal of Accounts**” at page 17.

“**Reporting Day**” means the last day of each month.

“**Reporting Period**” means a period of days beginning on and including the day immediately following a Reporting Day and ending on and including the day that is the next succeeding Reporting Day and, when modified by the word “related” in respect of a particular Reporting Day, means such period of days ending on and including such particular Reporting Day and such particular Reporting Day shall be the Reporting Day for such Reporting Period.

“**Requested Pool Data Timing**” has the meaning ascribed thereto under “**Exemption From Certain Provision of Form 44-101F1**” at page 2.

“**Required Cash Reserve Amount**” means, in respect of a Series held by the Trust

- (a) at any time during a period in which a related Cash Reserve Event has occurred and is continuing an amount equal to: (i) 5.00% of the Initial Invested Amount of the Series, if the related Excess Spread Percentage is 1.50% or less; (ii) 2.00% of the Initial Invested Amount of the Series, if the related Excess Spread Percentage is greater than 1.50% but equal to or less than 2.50%; (iii) 1.50% of the Initial Invested Amount of the Series, if the related Excess Spread Percentage is greater than 2.50% but equal to or less than 3.50%; (iv) 1.00% of the Initial Invested Amount of the Series, if the related Excess Spread Percentage is greater than 3.50% but equal to or less than 4.00%; and (v) in all other circumstances, zero;

less the related Cumulative Cash Reserve Draws at such time; and

- (b) during the related Pre-Accumulation Reserve Period, an amount equal to the excess, if any, of (i) the amount specified in the related Series Supplement (and set out in the applicable pricing supplement as the “Increase in Required Cash Reserve Amount on commencement of Pre-Accumulation Reserve Period”); over (ii) the aggregate amounts deposited into the related Cash Reserve Account under this clause (b) prior thereto.

“**Required IA Pool Percentage**” means, in respect of a Series, the greater of 100% and the percentage specified therefor, if any, in the related Series Purchase Agreement (and set out in the applicable pricing supplement), as the same may be amended for the Series in accordance with the related Series Purchase Agreement.

“**Required Identification Date**” has the meaning ascribed thereto under “**The Account Assets — Addition of Accounts**” at page 15.

“**Required Pool Amount**” means, for a day, an amount equal to the greater of: (i) the sum of all amounts, each of which is the product of (x) the aggregate Unadjusted Invested Amount for all outstanding Series (if such amount is calculated without regard to the proviso in the definition thereof); and (y) the aggregate Required UIA Pool Percentage for all outstanding Series on such day; and (ii) the sum of all amounts, each of which is the product of (x) the aggregate Initial Invested Amount for all outstanding Series on such day; and (y) the aggregate Required IA Pool Percentage for all outstanding Series.

“**Required Rating**” means (a) in respect of any Person, (i) a rating of such Person’s short-term indebtedness of “R-1 (middle)” or higher from DBRS, if DBRS is a Rating Agency, “Prime-1” from Moody’s, if Moody’s is a Rating Agency, and “F1” or higher from Fitch, if Fitch is a Rating Agency, or (ii) a rating of such Person’s long-term unsecured indebtedness of “A (high)” or higher from DBRS, if DBRS is a Rating Agency, “Aa3” or higher from Moody’s, if Moody’s is a Rating Agency, and “AA-” or higher from Fitch, if Fitch is a Rating Agency; (b) the equivalent thereof from time to time from any such Rating Agency or other related Rating Agency designated by the



Trust; or (c) such lower rating as satisfies the Rating Agency Condition in respect of such Rating Agencies or other related Rating Agencies for any specific purpose.

“**Required Remittance Amount**” has the meaning ascribed thereto under “**Remittances — Required Remittance Amount**” at page 23.

“**Required UIA Pool Percentage**” means, in respect of a Series, the greater of 100% and the percentage specified therefor, if any, in the related Series Purchase Agreement (and set out in the applicable pricing supplement), as the same may be amended for the Series in accordance with the related Series Purchase Agreement.

“**Resident Holder**” has the meaning ascribed thereto under “**Certain Canadian Federal Income Tax Considerations — Residents of Canada**” at page 57.

“**Retained Interest**” has the meaning ascribed thereto under “**Transaction Structure Overview — Ownership Interests**” at page 4.

“**Revolving Period**” means, in respect of a Series, the period of time commencing on the related Closing Date to but not including the first day of the related Accumulation Period or any related Amortization Period, provided, however, that if the Amortization Period ends as a result of a rescission and annulment of the related Amortization Event in accordance with the related Series Purchase Agreement, the Revolving Period will recommence as of the close of the business on the day such Amortization Period ends.

“**S&P**” means S&P Global Ratings Canada and its successors.

“**Secured Account**” means a Credit Card Account that is subject to an agreement between the related Obligor and the Seller pursuant to which such Obligor has provided security to the Seller in respect of the payment of the Receivables under such Credit Card Account, other than a Credit Card Account that is subject to an agreement between the related Obligor who is an individual or individuals and the Seller pursuant to which such Obligor has provided security to the Seller solely in respect of the payment of the Receivables under such Credit Card Account.

“**Securities Regulators**” has the meaning ascribed thereto under “**Undertaking**” at page 60.

“**Seller**” means CIBC.

“**Senior Notes**” has the meaning ascribed thereto under “**Details of the Offering**” at page 38.

“**Series**” means a series of Ownership Interests (which, for greater certainty, may consist of a single Ownership Interest owned by a single Co-Owner), including all Additional Ownership Interests of such series, created under a Series Purchase Agreement and specified therein as Ownership Interests of the same Series, within which there may be one or more Classes.

“**Series Account**” means, in respect of a Series, a deposit, trust, escrow or similar account maintained for the benefit of the Co-Owners of the Series or Class, as specified in the related Series Purchase Agreement.

“**Series Accumulation Percentage**” means, in respect of a Series for a Business Day during the Accumulation Period or the Amortization Period for the Series, an amount equal to the sum of:

- (a) a fraction, expressed as a percentage, the numerator of which is equal to the product of:
  - (i) (x) the amount of Finance Charge Receivables for the immediately preceding Business Day, if any, divided by (y) the Collections for the day; and
  - (ii) the Unadjusted Invested Amount of the Series for the immediately preceding Business Day; and

the denominator of which is the Pool Balance for the immediately preceding Business Day; and

- (b) a fraction, expressed as a percentage, the numerator of which is equal to the product of:
  - (i) (x) the Collections for the day minus the amount of Finance Charge Receivables for the immediately preceding Business Day, if any, divided by (y) the Collections for the day; and
  - (ii) the Invested Amount of the Series determined as of the Reporting Day immediately preceding the earlier to occur of the Accumulation Commencement Day and the Amortization Commencement Day for the Series;

and the denominator of which is the Pool Balance for the Reporting Day immediately preceding the earlier to occur of the Accumulation Commencement Day and the Amortization Commencement Day for the Series.

**“Series Allocable Percentage”** means, on a day in respect of a Series held by the Trust, the fraction expressed as a percentage, the numerator of which is the Invested Amount of the Series on the Reporting Day immediately preceding such day (after all calculations, adjustments, allocations and distributions required to be made on the Reporting Day have been made) and the denominator of which is equal to the sum of the Invested Amounts of each Series held by the Trust on such Reporting Day, and, if such term is used in relation to a period of days, shall mean the percentage so determined for and in respect of the last day of such period.

**“Series Allocable Pool Income”** means, in respect of a Series for a Reporting Period, an amount, which shall not be less than zero, equal to the lesser of:

- (a) the related Ownership Income Limitation for such Reporting Period; and
- (b) the related Ownership Income Requirement for such Reporting Period.

**“Series Enhancement Draw”** means, in respect of a Series for a Reporting Period, an amount specified as such to be calculated or otherwise determined pursuant to the related Series Purchase Agreement.

**“Series Enhancement Entitlement”** means, in respect of a Series for a Reporting Period, an amount specified as such to be calculated or otherwise determined in respect of the Reporting Period in accordance with the related Series Purchase Agreement.

**“Series Enhancement Percentage”** means in respect of a Series for and in respect of a Business Day during the Accumulation Period or Amortization Period of the Series, the sum of:

- (a) a fraction, expressed as a percentage, the numerator of which is equal to the product of:
  - (i) (x) the excess, if any, of Finance Charge Receivables over Pool Losses for the immediately preceding Business Day, if any; divided by (y) the Collections for the day; and
  - (ii) the Series Enhancement Entitlement of the Series for the immediately preceding Business Day,

and the denominator of which is the Pool Balance for the immediately preceding Business Day; and

- (b) a fraction, expressed as a percentage, the numerator of which is equal to the product of:
  - (i) (x) the Collections for the day minus the amount of Finance Charge Receivables for the immediately preceding Business Day, if any; divided by (y) the Collections for the day; and
  - (ii) the Series Maturity Enhancement Entitlement of the Series;

and the denominator of which is the Pool Balance on the day on which the Invested Amount of the related Series has been reduced to zero.

“**Series Interest and Additional Funding Expenses**” means, in respect of a Series held by the Trust for any Reporting Day, an amount equal to the sum of the Additional Funding Expenses and the Interest incurred or accrued in respect of the Series for the related Reporting Period.

“**Series Maturity Enhancement Entitlement**” means, in respect of a Series for a Reporting Period, an amount specified as such to be calculated or otherwise determined in respect of the Reporting Period in accordance with the related Series Purchase Agreement, as the same may be amended for the Series in accordance with the related Series Purchase Agreement.

“**Series of Notes**” has the meaning ascribed thereto under “**The Trust Indenture — General**” at page 33.

“**Series Pool Losses**” means, in respect of a Series for a Reporting Period, an amount equal to the product of (i) the related Floating Allocation Percentage; and (ii) the Pool Losses, in each case, for such Reporting Period.

“**Series Purchase Agreement**” means, in respect of a Series, the series purchase agreement executed and delivered in connection with the creation and transfer of one or more Ownership Interests of such Series and, if applicable, the creation and transfer of Additional Ownership Interests of such Series, as amended, supplemented, modified, restated or replaced from time to time.

“**Series Revolving Percentage**” means, in respect of a Series for or in respect of a Business Day during the Revolving Period of the Series, a fraction, expressed as a percentage, the numerator of which is the Unadjusted Invested Amount of the Series for the immediately preceding Business Day, and the denominator of which is the Pool Balance for such immediately preceding Business Day.

“**Series Supplement**” has the meaning ascribed thereto under “**The Trust Indenture — General**” at page 33.

“**Series Termination Date**” means, in respect of a Series, the date specified as such in the related Series Purchase Agreement (and, in respect of each Series held by the Trust, set out in the applicable pricing notice).

“**Servicer**” means (i) CIBC acting in its capacity as initial servicer, pursuant to the Pooling and Servicing Agreement unless and until a Successor Servicer has been appointed following a Servicer Termination Event; and (ii) after such appointment, the Successor Servicer from time to time.

“**Servicer Termination Event**” has the meaning ascribed thereto under “**Servicing — Services Termination Events**” at page 31.

“**Specified Account Designation**” means each of (i) a Visa branded credit card account, (ii) a Mastercard branded credit card account; and (iii) one or more other branding designations relating to credit card accounts specified by the Seller in writing for which the Rating Agency Condition is satisfied in respect of each such other designation’s inclusion as a Specified Account Designation.

“**Subordinated Notes**” has the meaning ascribed thereto under “**Details of the Offering**” at page 38.

“**Substituted Account**” means an Eligible Credit Card Account that replaces an Account for which the Specified Account Designation of such Eligible Credit Card Account is different from such Account and such Eligible Credit Card Account is (i) in a Designated Portfolio, (ii) in existence, owned by the Seller and maintained and serviced by the Seller, the Servicer or any entity delegated responsibility by the Servicer, (iii) not, and the Receivables thereunder are not, subject to any lien and have not been sold to any other Person, (iv) payable in Canadian dollars, and (v) an account that satisfies the additional criteria, if any, applicable to Accounts set forth in the related Series Purchase Agreement or any Additional Property Agreement; for greater certainty, (i) the substitution of a Substituted Account for a Mastercard branded Credit Card Account, Visa branded Credit Card Account or other Specified Account Designation Credit Card Account, as applicable, which is in a Designated Portfolio, shall not for the purposes of the Pooling and Servicing Agreement, constitute an addition of an Account, a removal of an Account, or an amendment to the terms and provisions of any Cardholder Agreement; and (ii) where the Seller establishes or re-establishes a Mastercard branded Credit Card Account, a Visa branded Credit Card Account or another Specified Account Designation Credit Card Account, as the case may be, which is in a Designated Portfolio, in favour of an Obligor in addition to an existing

Credit Card Account of the Obligor which is included as an Account, such established or re-established Credit Card Account shall not be a Substituted Account.

“**Successor Credit Rating Organization**” means, with respect to a credit rating organization, any credit rating organization that succeeded to or otherwise acquired all or substantially all of another credit rating organization’s business in Canada, whether through a restructuring transaction or otherwise, if that business was, at any time, owned by the first-mentioned credit rating organization.

“**Successor Servicer**” has the meaning ascribed thereto under “**Servicing — Servicer Termination**” at page 32.

“**TFSAs**” has the meaning ascribed thereto under “**Eligibility for Investment**” at page 2.

“**Targeted Principal Distribution Date**” means, in respect of a Series held by the Trust, the date specified as such in the related Series Purchase Agreement (and set out in the applicable pricing supplement), or if such day is not a Business Day, the next succeeding Business Day.

“**Tax Act**” has the meaning ascribed thereto under “**Eligibility for Investment**” at page 2.

“**Tax Proposals**” has the meaning ascribed thereto under “**Certain Canadian Federal Income Tax Considerations**” at page 56.

“**Taxes**” means any Canadian, foreign, federal, provincial, state, municipal, local or other tax of any kind or nature whatsoever, other than (i) taxes on the income of the Trust; (ii) taxes with respect to any period ending on or prior to the Closing Date, excluding taxes related to the purchase of a Series; and (iii) any other additional taxes that result solely by virtue of the ownership of a Series by the Trust (which for greater certainty shall not include capital taxes) or the assignment by the Trust or an assignee thereof to a non-resident of Canada.

“**Transfer Date(s)**” means, in respect of a Series held by the Trust and a Reporting Period, the day of the month following the month in which the related Reporting Day occurs specified as such in the related Series Purchase Agreement (and set out in the applicable pricing supplement), or if such day is not a Business Day, the next succeeding Business Day.

“**Transfer Deposit**” means, in respect of a day, the funds deposited or required to be deposited into the Collection Account on the day (i) by the Seller in respect of the purchase by the Seller of a Series subject to purchase pursuant to an incorrect representation and warranty; and (ii) by a Person specified in a Series Purchase Agreement as being a Person who is entitled or required to make a Transfer Deposit on the day, and shall mean (x) in respect of any period of days, all such amounts received by the Servicer during such period; and (y) in respect of any Business Day, all such amounts received by the Servicer before the close of business on such day and after the close of business on the immediately preceding Business Day.

“**Trust**” means CARDS II Trust®.

“**Trust Indenture**” has the meaning ascribed thereto under “**Transaction Structure Overview — The Issuer**” at page 4.

“**Unadjusted Invested Amount**” means, in respect of a Series, on the related Closing Date, the Initial Invested Amount of the Series and for each day thereafter, an amount, in dollars, and which shall not be less than zero, which is equal to:

- (a) the Invested Amount of the Series for the immediately preceding Reporting Day (determined without reference to the proviso in the definition of “Invested Amount”) or where the day occurs before the first Calculation Day for the Series, the Initial Invested Amount of the Series;

plus,

- (b) the amount of any related Additional Ownership Interests transferred after such Reporting Day to and including the day;

minus,

- (c) the amount of Collections and Transfer Deposits which are required to be deposited into the related Accumulations Account or other related Series Account after such Reporting Day to and including the day (other than those deposits referred to in subparagraph (e) of the definition of “Invested Amount” for such period);

provided, however, that, if the Aggregate Ownership Amount on any day exceeds the Pool Balance on that day, the Unadjusted Invested Amount for a Series shall be equal to the product of (i) the Pool Balance on that day; and (ii) a fraction, the numerator of which is the Unadjusted Invested Amount of the Series on that day and the denominator of which is the Aggregate Ownership Amount on that day each as determined without reference to this proviso.

“**Unpaid Additional Funding Expenses**” means, in respect of a Series held by the Trust and a Reporting Period, the aggregate amount of any accrued and unpaid Additional Funding Expenses for the Series and any previous Reporting Period.

“**Unpaid Interest Payments**” means, in respect of a Series held by the Trust and a Reporting Period, any accrued and unpaid Interest, together with all interest payable in respect thereof, for the Series and any previous Reporting Period.

“**Visa accounts**” has the meaning ascribed thereto under “**Transaction Structure Overview — CIBC Credit Card Accounts**” at page 5.

“**Visa Canada**” means Visa Canada Corporation, an unlimited company incorporated under the laws of Nova Scotia and its successors and assigns.

“**Visa International**” means Visa Inc., a corporation incorporated under the laws of the State of Delaware, in the United States of America, and its successors and assigns.

“**Visa Manual**” means the by-laws of Visa International and the operating regulations of Visa International and Visa Canada and all other relevant operating procedures, policies and standards relating to the Visa Canada payment network and such other materials that Visa International and/or Visa Canada may compile and identify as forming part of the Visa Manual, all as amended and updated from time to time.

“**Visa Service and License Agreements**” means the agreements of the Seller with Visa Canada entitling the Seller to the continued non-exclusive right and privilege in Canada to use and participate in the Visa Canada payment network, to receive the services provided therein and to use the trademarks of Visa Canada or its affiliates.

**CERTIFICATE OF THE ISSUER AND PROMOTER**

Dated: January 18, 2019

This short form prospectus, together with the documents incorporated in this prospectus by reference, will, as of the date of the last supplement to this prospectus relating to the securities offered by this prospectus and the supplement(s), constitute full, true and plain disclosure of all material facts relating to the securities offered by this prospectus and the supplement(s) as required by the securities legislation of each of the provinces and territories of Canada.

**CARDS II TRUST®**

By its Financial Services Agent,  
CANADIAN IMPERIAL BANK OF COMMERCE

By: (Signed) WOJTEK NIEBRZYDOWSKI

By: (Signed) ANDREW STUART

**CANADIAN IMPERIAL BANK OF COMMERCE**

(as Promoter)

By: (Signed) ANDREW STUART

**CERTIFICATE OF THE DEALERS**

Dated: January 18, 2019

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated in this prospectus by reference will, as of the date of the last supplement to this prospectus relating to the securities offered by this prospectus and the supplement(s), constitute full, true and plain disclosure of all material facts relating to the securities offered by this prospectus and the supplement(s) as required by the securities legislation of each of the provinces and territories of Canada.

**CIBC WORLD MARKETS INC.**

By: (Signed) ANDREW MACIEL

**BMO NESBITT BURNS INC.**

By: (Signed) SUMANT INAMDAR

**DESJARDINS SECURITIES INC.**

By: (Signed) RYAN GODFREY

**HSBC SECURITIES (CANADA) INC.**

By: (Signed) BRADLEY MEIERS

**LAURENTIAN BANK SECURITIES INC.**

By: (Signed) MICHEL RICHARD

**MERRILL LYNCH CANADA INC.**

By: (Signed) JAMIE HANCOCK

**NATIONAL BANK FINANCIAL INC.**

By: (Signed) RICHARD BRYAN

**RBC DOMINION SECURITIES INC.**

By: (Signed) NUR KHAN

**SCOTIA CAPITAL INC.**

By: (Signed) DOUGLAS NOE

**TD SECURITIES INC.**

By: (Signed) PETER O'SULLIVAN