

** FINAL DRAFT

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BEACON INVESTMENT NOTES

2023



TERM SHEET SERIES ALPHA3

This document ("Term Sheet") outlines the private placement offering ("Offering") of Series Alpha3 Senior 2026 Asset-Backed Notes (the "SR2026 Notes") and Series Alpha3 Subordinated 2026 Asset-Backed Notes (the "SB2026 Notes") Series Alpha3 Senior 2028B Asset-Backed Notes (the "SR2028B Notes") and Series Alpha3 Subordinated 2028B Asset-Backed Notes (the "SB2028B Notes") (collectively the "Offered Alpha3 Notes") of Beacon Consumer Holdings Inc. (the "Issuer"). This Term Sheet is not, nor does it purport to be, a complete description of the Offering. This Term Sheet does not constitute an offering of securities to any persons in any jurisdiction. Persons considering an investment in the Offered Alpha3 Notes pursuant to the Offering should understand that no offering memorandum is being provided in respect of the Offered Alpha3 Notes and are encouraged to review a proposed investment with their professional legal, accounting, income tax and investment advisors. All terms and conditions of the Offered Alpha3 Notes and the Purchased Trust Notes described below are subject to the legal agreements governing the creation of such securities and the business agreements governing the operations of the Issuer and the Trust (as defined below). An investment in Series Alpha3 Notes is appropriate only for Subscribers who are prepared to invest money for a long period of time and who have the capacity to absorb a loss of some or all of their investment. Any investment in the acquisition of Offered Alpha3 Notes involves a high degree of risk.

No securities regulatory authority has assessed the merits of the securities being offered by the Issuer or reviewed this Term Sheet. Any representation to the contrary is an offence.

**BEACON CONSUMER HOLDINGS INC.
TERM SHEET**

Private Placement Offering

January 10, 2023

SERIES ALPHA3 ASSET-BACKED NOTES

\$100,000,000 Maximum Aggregate Principal Amount

OFFERING TERMS

Issuer: Beacon Consumer Holdings Inc., a special purpose corporation established under the laws of the Province of Alberta.

Securities Offered: Series Alpha3 Senior 2026 Asset-Backed Notes; Series Alpha3 Senior 2028B Asset-Backed Notes (collectively, the "Offered SR Notes"); and Series Alpha3 Subordinated 2026 Asset-Backed Notes; Series Alpha3 Subordinated 2028B Asset-Backed Notes; (collectively, the "Offered SB Notes"); (collectively, the "Offered Alpha3 Notes").

Payments of interest and principal on the Offered SB Notes are subordinated to payments of interest and principal on the Offered SR Notes.

Maximum Offering: \$100,000,000 in aggregate principal amount.

Any particular Offered Alpha3 Note can be withdrawn from being offered at any time in the sole discretion of the Issuer.

The Offering is not subject to any minimum offering amount.

Minimum Subscription Amount Per Subscriber: \$10,000 for each class of Offered Alpha3 Notes subscribed for.

Payment Terms: Payment in full by cheque, bank draft or electronic funds transfer of the aggregate subscription amount is to be made with the delivery of a duly executed and completed Subscription Agreement.

No Deductions: 100% of the subscription amount will be used to purchase Offered Alpha3 Notes.

Offering Period: Closings will occur per the Issuer's published closing date schedule until December 31, 2022 (the "Offering Period") with the initial issuance of Offered Alpha3 Notes scheduled to occur on or about March 15, 2023 (the "Initial Issuance Date").

Interest Rate:	Offered SR Notes:	
	SR2026 Notes:	6.00% per annum
	SR2026B Notes:	7.00% per annum
	Offered SB Notes:	
	SB2028 Notes:	7.50% per annum
	SB2028B Notes:	9.00% per annum

Interest Period: The period commencing from and including the 15th day of a month (or in the case of the initial Interest Period, commencing from and including the Initial Closing Date (as defined below) to but excluding the 15th day of the following month.

Interest Payment Date: Monthly on the 18th day of each month (or the next business day if the 18th is not a business day) in respect of the immediately preceding Interest Period.

Amortization Commencement Date: Offered SR Notes:
SR2026 Notes: December 2026
SR2028 Notes: December 2028

Offered SB Notes:
Commencing after full repayment of the related Offered SR Notes.

Expected Full Principal Repayment/Amortization: Offered SR Notes:
14-18 months*

Offered SB Notes:
18-22 months*

*Measured as months from the applicable Amortization Commencement Date. These periods may vary depending on the relative amount of Offered SR Notes purchased vs. Offered SB Notes purchased.

The Offered SB Notes are fully subordinated to the corresponding Offered SR Notes with respect to both payment of interest and return of principal.

Use of Funds: The gross proceeds from the sale of the Offered Alpha3 Notes will be used in their entirety to purchase Series Alpha3 Class SR Asset-Backed Trust Notes (the "Senior Trust Notes") and Series Alpha3 Class SB Asset-Backed Trust Notes (the "Subordinated Trust Notes", together with the Senior Trust Notes, the "Purchased Trust Notes") of Beacon Trust (the "Trust"). The gross proceeds from the purchase of Offered SR Notes will be used to purchase Senior Trust Notes and the proceeds from the purchase of SB Notes will be used to purchase Subordinated Trust Notes on a dollar for dollar basis. The Purchased Trust Notes will have the same Amortization Commencement Date and Full Principal Repayment Date as the corresponding Offered SR Notes and Offered SB Notes.

The Purchased Trust Notes are collateralized by the Trust's co-ownership interest in a revolving pool of consumer loan receivables (the "Loan Receivables") and note receivables secured by revolving pool of consumer leases (the "Note Receivables"; together with the Loan Receivables, the "Receivables") acquired from Beacon Holdings Limited (the "Seller") pursuant to a sale and servicing agreement.

The Seller, in turn, has acquired the Loan Receivables from certain loan originators (the "Loan Originators") and acquired the Note Receivables from certain special purpose entities (the "Note Originator"; together with the Loan Originator, the "Originators") pursuant to one or more receivables purchase agreements (each, a "Receivable Purchase Agreement") entered into with the Loan Originators and Note Originators, respectively. The Note Originators, in turn, have acquired revolving pools of certain consumer leases and related assets (the "Lease Units") from certain lease originators (the "Lease Originator") pursuant to one or more lease purchase agreements entered into with the Lease Originators. Cash flows arising from the Purchased Trust Notes will be used to make payments of interest and principal on the Offered Notes.

Reporting:

Subscribers will have access to monthly and quarterly reports from the Issuer with respect to the Offered Alpha3 Notes and the Purchased Trust Notes commencing after the Closing Date of the first Receivables Purchase Agreement related thereto (the "Initial Closing Date").

Eligible Subscribers:

The Offered Alpha3 Notes are being offered through registered dealers to subscribers resident in each of the provinces and territories of Canada (the "Offering Jurisdictions"). The Offered Alpha3 Notes may also be sold through market participants in Alberta, British Columbia, Saskatchewan, Manitoba, the Northwest Territories, Yukon and Nunavut in reliance on the Registration Exemption for Trades in Connection with Certain Prospectus-Exempt Distributions pursuant to the local Instrument, Blanket Order or Ruling (as applicable) in effect in such jurisdictions.

Subscribers resident in the Offering Jurisdictions must qualify as "accredited investors" as defined in Section 73.3 of the Securities Act (Ontario) and in National Instrument 45-106 – Prospectus and Registration Exemptions ("NI 45-106").

TRANSACTION OVERVIEW

The Issuer is a special purpose corporation established under the laws of the Province of Alberta on April 13, 2012 that will use the gross proceeds of the Offered Alpha3 Notes issued during the Offering Period to purchase related Purchased Trust Notes issued by the Trust from time to time during the Offering Period. The Purchased Trust Notes will be collateralized by the Trust's co-ownership interest in the Receivables, which interest it has purchased from the Seller. The Issuer has no business activities other than acquiring the Purchased Trust Notes and certain other related obligations.

The Trust is a master trust established under the laws of the Province of Ontario pursuant to a declaration of trust, dated May 14, 2013. The Trust is structured to periodically issue notes in series (including the Purchased Trust Notes) and to incur certain other related obligations. A separate and distinct pool of assets will collateralize all Series Alpha3 Notes including the Offered Alpha3 Notes and all other classes of Series Alpha3 Notes. The holders of Series Alpha3 Notes will not have recourse to the assets allocated by the Trust to collateralize the notes of any other series or to the credit enhancement provided for any other series. The Trust has no business activities other than acquiring, managing and financing the purchase of interests in consumer loan receivables and Note Receivables from the Seller and will have no significant assets other than such interests and associated cash flows.

The Note Originators will be special purpose entities and will have no business activities other than acquiring, managing and financing the purchase of Lease Units and certain other related obligations and will have no significant assets other than such interests and associated cash flows. The Notes Receivables will be collateralized by the respective Note Originator's interest in the Lease Units which it has purchased from Lease Originators.

Given the Offered SR Notes and Offered SB Notes will be paid from the proceeds of the Purchased Trust Notes, all subsequent discussions on transaction structure and underlying assets in this Term Sheet refers to the Purchased Trust Notes except under the heading "Terms of the Offered Alpha3 Notes" or as otherwise specifically indicated.

The interest rate, terms and principal amount of the Offered Alpha3 Notes will essentially mirror those of the Purchased Trust Notes (save for 25 basis points of spread retained by the Issuer). Payments of principal and interest received by the Issuer on the Purchased Trust Notes will be used by the Issuer to make payments of principal and interest on the Offered Alpha3 Notes. The Issuer may have no other sources of funds to make payments on the Offered Alpha3 Notes.

Transaction Structure

The diagram in Appendix "A" depicts the major components of the transaction.

TERMS OF THE OFFERED ALPHA3 NOTES

The Offered Alpha3 Notes are fixed rate notes. The following is a summary of the key terms of the Offered Alpha3 Notes:

General

SR2026 Notes will bear interest at the rate of 6.00% per annum. SB2026 Notes will bear interest at the rate of 7.50% per annum. SR2028B Notes will bear interest at the rate of 7.00% per annum. SB2028B Notes will bear interest at the rate of 9.00% per annum. Each class of Offered Alpha3 Notes will accrue interest at the applicable Note Interest Rate. Interest (and any applicable Principal due) on each Offered Alpha3 Note will be due and payable on the 18th day of each month. Interest on each class of Offered Alpha3 Notes will be calculated on a daily basis. On each monthly payment date, distributions to be made with respect to interest and principal (following an Amortization Event as such term is referred to under the heading "Summary of Certain Terms of the Trust Notes – Amortization Events" on page 7 hereof) on the Offered Alpha3 Notes will be paid to the holder of the Offered Alpha3 Notes (the "Noteholder").

Repayment of Notes

Interest only payments will be made until the Amortization Period commences at which time principal payments will begin. Interest on all outstanding principal will continue to be paid during the Amortization Period. The Amortization Period for the SR2026 Notes will commence in December 2026. The Amortization Period for the SR2028B Notes will commence in December 2028. It is anticipated that it will take between 14 and 18 months to repay the Offered SR Notes at which time the Amortization Period for the Offered SB Notes will commence. It is anticipated that it will take between 18 and 22 months to repay the Offered

SB Notes after the applicable Amortization Period commences.

The date on which repayment of the Offered Alpha3 Notes is expected to occur is referred to as the "Expected Payment Date". The expected final payment date for the SR2026 Notes and the SB2026 Notes is December 31, 2029. The expected final payment date for the SR2028B Notes and SB2028B Notes is December 31, 2031. However, no event of default shall occur unless the entire amount of the principal has not been repaid by a final outside date (the "Final Scheduled Payment Date"). The Final Scheduled Payment Date for the SR2026 Notes and the SB2026 Notes is December 31, 2032. The Final Scheduled Payment Date for the SR2028B Notes and the SB2028B Notes is December 31, 2034.

Subordination

The Offered SB Notes are fully subordinated to the corresponding Offered SR Notes with respect to both payment of interest and return of principal.

Priority of Distributions

Upon the Issuer receiving interest payments and, following an Amortization Event, principal repayments, in respect of the Purchased Trust Notes, the Issuer will first be required to pay fees owing to Computershare Trust Company of Canada as the "Indenture Trustee" for the Issuer and will then distribute the funds received to the holders of the Offered Alpha3 Notes with all payments due to the holders of the Offered SR Notes being made before any payments are made to the holders of the Offered SB Notes. Any excess amounts after such payments are made are retained by the Issuer.

To understand the waterfall of payments made by the Trust which impacts the priority of payment of the Purchased Trust Notes please see the heading "Summary of Certain Terms of the Purchased Trust Notes – Priority of Distributions".

Right of Redemption

Noteholders may request that the Issuer redeem \$10,000 or greater of Offered Alpha3 Notes on Payment Dates in April or October of each year starting a minimum of two years following the purchase of the Offered Alpha3 Notes. Redemption will be at a discount to the face value of the Offered Alpha3 Notes. Redemptions requested (from the purchase date) of between 2 and 4 years will be at a 15% discount and thereafter at a 10% discount. Redemption will be dependent on the Issuer having sufficient funds to pay the redemption price. The Purchased Trust Notes are not redeemable. There can be no assurances the Issuer will have sufficient funds to undertake a redemption of Offered Alpha3 Notes. The Issuer has reserved the right to have such Offered Alpha3 Notes purchased by a designee rather than redeemed for cancellation.

Series Collateral

The Issuer has granted to the Indenture Trustee as general and continuing security for the due payment and performance of each class of Offered Alpha3 Notes, a continuing security interest in the corresponding Purchased Trust Notes.

SUMMARY OF CERTAIN TERMS OF THE PURCHASED TRUST NOTES

The sole source of funds available for the payment of interest on the Offered Alpha3 Notes will be interest earned from the Purchased Trust Notes. The sole source of funds for the repayment of the principal amount of the Offered Alpha3 Notes will be the funds generated from the repayment of principal for the corresponding Purchased Trust Notes. Directions have been entered into by the relevant parties to ensure the funds that the Trust is entitled to receive in respect of the Receivables securing the Purchased Trust Notes are sent directly to the Trust by the Originators. The Amortization Events described on page 7 of this Term Sheet and certain other events of default described in the documents governing the Purchased Trust Notes will result in an equivalent event in respect of the corresponding Offered Alpha3 Notes. Subscribers should understand the provisions of each class of the Purchased Trust Notes as this is the sole source of funds for the repayment of the corresponding Offered Alpha3 Notes. Below is a summary of the certain key provisions of the Purchased Trust Notes:

Credit Support

The Credit Support provisions of the Purchased Trust Notes are intended to provide the holders thereof with protection against the potential loss of the principal amount invested. For example, losses on

the portion of the Loan Receivables that is owned by the Trust, to the extent that they occur, are first absorbed by excess spread generated by such portion of the Loan Receivables, being the difference between the interest rate paid on the receivables and the obligations owed to holders of the Purchased Trust Notes and those parties who are entitled to receive payment in priority to holders of the Purchased Trust Notes. Similarly, losses on the portion of the Note Receivables that is owned by the Trust, to the extent that they occur, are first absorbed by excess spread generated by the related Lease Units owned by the related Note Originator which secures the Note Receivables, being the difference between the internal annual rate of return used to calculate the lease payments stated in the related lease and the obligations owed under the Note Receivables, obligations owed to holders of the Purchased Trust Notes and obligations owed to those parties who are entitled to receive payment in priority to holders of the Purchased Trust Notes (See "Priority of Distributions" below). To the extent that excess spread is insufficient to absorb losses, those losses will be absorbed by overcollateralization, super subordinated trust notes (the "SSB Trust Notes") that rank below both the Senior Trust Notes and the Subordinated Trust Notes and any cash collateral amounts. Only after losses have exhausted the aggregate of excess spread, subordination, overcollateralization (if any) and cash collateral would the Purchased Trust Notes absorb losses. The Senior Trust Notes have the benefit of the Subordinated Trust Notes as additional credit support.

On and after the Initial Closing Date, both the Senior Trust Notes and the Subordinated Trust Notes have the benefit of a minimum of the 6% SSB Trust Notes, (deeply subordinated notes) as additional credit support.

The credit support for the Purchased Trust Notes will be structured as follows:

Credit Support	Senior (SR) Notes	Subordinated (SB) Notes
Super-Subordination and/or Overcollateralization (Minimum)	30.0%	6.0%
Excess Spread (estimated at Initial Closing Date)	8.0%	8.0%

In the event that excess spread begins to deteriorate and is less than or equal to 6.0% prior to December 31, 2023 or 8.0% at any time thereafter (an "Excess Spread Shortfall"), then reserve accounts (the "Reserve Accounts") will start to accumulate, thereby, providing additional enhancement for holders of the Purchased Trust Notes (and thereby similarly benefitting the holders of the corresponding Offered Alpha3 Notes) as the funds accumulated in these accounts may be used to pay deficiencies in the respective cash flow waterfalls should they occur.

Revolving Period, Principal Payments And Final Maturity

During the Revolving Period (the period from Initial Closing Date to December 31, 2026 for the 2026 Purchased Trust Notes; December 31, 2028 for the 2028 Purchased Trust Notes), the Trust's share of principal collections on the Receivables (including in respect of the Note Receivables the corresponding amount attributable to the related Lease Units) will be re-invested in new Receivables (which, in the case of any new Note Receivables, may, in turn, be re-invested in new Lease Units) in order to maintain the pool balance and ensure enhancement levels are maintained. The Trust's share of all non-principal collections on the Receivables (interest, recoveries, administrative fees and late charges, etc.) during the Revolving Period (including in respect of the Note Receivables the corresponding amount attributable to the related Lease Units) will be allocated to cover the expenses of the operations of the Trust and Note Originators, payments of interest on the Purchased Trust Notes and maintaining any required Reserve Account balance, and any balance will be paid to the Seller as deferred purchase price in consideration for the Trust's purchase of its interest in the Receivables. The Purchased Trust Notes' Revolving Period will continue until the earlier of the occurrence of an Amortization Event and the applicable Amortization Commencement Date.

Noteholders could be repaid earlier than the applicable Expected Final Payment Date if an Amortization Event occurs. Noteholders could be paid later than the Expected Final Payment Date if the Trust's share of collections on the Receivables (or the underlying Lease Units) is lower than expected. Failure to repay principal by the Expected Final Payment Date is not an event of default under the transaction's terms but a failure to pay the particular Offered Alpha3 Note by its applicable Final Scheduled Payment Date

is an Event of Default.

Priority of Distributions

Prior to an Amortization Event, the Trust's share of interest collections on the Receivables deposited to the collection accounts or released from the Reserve Account will be applied in the following order:

1. Trustee fees;
2. Servicer fees (original or replacement) and Back-up Servicer standby fees;
3. Interest due on the Senior Trust Notes;
4. Interest due on the Subordinated Trust Notes;
5. Funding of the Excess Funding Account if the note balance of the Purchased Trust Notes exceeds the Maximum Invested Amount (generally where the note balance exceeds the Pool Balance minus the required overcollateralization and/or credit enhancement and any excess concentrations, the excess is held in cash);
6. Funding of the Reserve Account, if required;
7. Interest due on the SSB Notes;
8. Other miscellaneous fees, expenses and/or taxes; and
9. Any remaining amounts to the Seller.

The Trust's share of principal collections on the Receivables will be reinvested in Eligible Receivables (which, in the case of Note Receivables, may, in turn, be re-invested in eligible Lease Units) to the extent required for the Pool Balance to equal the outstanding Trust Notes issued taking into account the necessary level of overcollateralization and excess concentrations.

Subsequent to an Amortization Event, the Trust's share of amounts deposited to the collection accounts or released from the Reserve Account will be applied in the following order:

1. Trustee fees;
2. Servicer fees (original or replacement) and Back-up Servicer standby fees;
3. Interest due on the Senior Trust Notes;
4. Principal of the Senior Trust Notes until fully repaid;
5. Interest due on the Subordinated Trust Notes;
6. Principal of the Subordinated Trust Notes until fully repaid;
7. Other miscellaneous fees, expenses and/or taxes;
8. Interest due on the SSB Trust Notes;
9. Principal of the SSB Trust Notes until fully repaid; and
10. Any remaining amounts to the Seller.

Amortization Events

The following is a list of certain key "Amortization Events" as set out in the documents governing the Purchased Trust Notes. There are additional Amortization Events to those listed below:

1. A failure of the Seller to make any distribution, transfer or deposit as required that continues for three (3) business days;
2. Any breach of a representation or warranty made by the Seller that has a material adverse effect and is not rectified within 60 days;
3. The Excess Funding Account exceeds 10.0% of the note balance of the Purchased Trust Notes for three consecutive Payment Dates at any time after the later of (i) *****; and (ii) the aggregate principal balance of the Receivables exceeding \$2,000,000;
4. Certain events related to bankruptcy and insolvency of the Seller;
5. Where realized losses on the Receivables exceed certain thresholds over time;
6. A failure to maintain the required credit support; and
7. An event of default under the Purchased Trust Notes.

ELIGIBILITY FOR INVESTMENT

You should consult your own professional advisers to obtain advice on the income tax consequences that apply to you.

Provided that the Issuer is, at all times, a "public corporation" for the purposes of the Income Tax Act (Canada) (the "Tax Act"), the Offered Alpha3 Notes should be "qualified investments" under the Tax Act for a trust governed by a registered retirement savings plan (an "RRSP"), a registered retirement income fund (a "RRIF"), a registered education savings plan (an "RESP"), a registered disability savings plan (an

“RDSP”), a deferred profit sharing plan and a tax-free savings account (a “TFSA”).

The Issuer has previously filed an election with the Canada Revenue Agency to be a “public corporation” for the purposes of the Tax Act and the Minister of National Revenue (Canada) has not, to date, given notice that the Issuer is designated not to be a “public corporation” for the purposes of the Tax Act.

Notwithstanding that Offered Alpha3 Notes may be qualified investments for a trust governed by a TFSA, RRSP, RDSP, RESP, or RRIF (each, a “Prescribed Plan”), the holder of a TFSA or RDSP, the annuitant **of an RRSP or RRIF**, or the subscriber of an RESP (each, a “Controlling Individual”) will be subject to a penalty tax if the Offered Alpha3 Notes are a “prohibited investment” (as defined in the Tax Act) of the Prescribed Plan. The Offered Alpha3 Notes will not be a prohibited investment of a Prescribed Plan if the Controlling Individual (i) deals at arm’s length with the Issuer for the purposes of the Tax Act, and (ii) does not have a “significant interest” (as defined in the Tax Act) in the Issuer. In addition, the Offered Alpha3 Notes will not be a “prohibited investment” of a Prescribed Plan if the Offered Alpha3 Notes are “excluded property” (as defined in the Tax Act) of the Prescribed Plan. Prospective investors who intend to hold Offered Alpha3 Notes in a Prescribed Plan should consult their own tax advisors regarding the application of the foregoing having regard to their own particular circumstances.

RELATED PARTIES

The Issuer, Beacon FSA Inc., as the financial services agent of the Trust, and Beacon Portfolio Servicing Inc., as the servicer of the Receivables held by the Trust pursuant to a Sale and Servicing Agreements (and, potentially in turn, as servicer of Lease Units securing Note Receivables) and the party that will produce the Trust’s monthly reports (and, potentially in turn, Note Originator’s monthly reports) for investors, are, since the creation of the Trust, affiliates and have certain common directors and officers. The Trust has no directors or officers, however, certain directors and officers of Beacon FSA Inc. may be regarded as performing similar roles for the Trust. Similarly, any Note Originator holding Lease Units securing the Note Receivables may also be affiliates of the Issuer, Beacon FSA Inc. and Beacon Portfolio Servicing Inc. and may have certain common directors and officers. Beacon FSA Inc. and Beacon Portfolio Servicing Inc. are paid fees by the Trust (and, potentially in turn, any Note Originator) from revenue earned by the Trust (or, if applicable, such Note Originator) through the acquisition of the Receivables by the Trust from Originators (which, in the case of Note Receivables, are secured by Lease Units acquired by the related Note Originator from Lease Originators), respectively, as financial services agent of the Trust and as the servicer of the Receivables on behalf of the Trust (and, potentially in turn, as financial services agent or administrator of any Note Originator and/or as the servicer of any Lease Units).

SELLING AGENTS

No compensation will be paid to any selling agent from the proceeds received by the Issuer from the sale of the Offered Alpha3 Notes. The entire amount of the purchase price relating to a subscriber’s investment in Offered Alpha3 Notes will be used to purchase corresponding Purchased Trust Notes from the Trust.

The Issuer is entitled to pay to selling agents a selling fee equal to a maximum of:

- 5.00% of the gross proceeds raised from the sale of the offered SR2026 Notes and SB2026 Notes;
- and
- 5.00% of the gross proceeds raised from the sale of the offered SR2028B Notes and SB2028B Notes.

Particulars of such fee structure can be provided to subscribers separately by their respective selling agents.

