

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

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

*Information has been incorporated by reference in this 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 the secretary of the issuer at 161 Bay Street, Suite 3600, Toronto, Ontario, M5J 2S1, telephone (416) 646-4892 and are also available electronically at [www.sedar.com](http://www.sedar.com).*

## SHORT FORM BASE SHELF PROSPECTUS

New Issue

November 23, 2016

### ECN CAPITAL CORP.



**\$2,000,000,000**  
**Debt Securities**  
**Preferred Shares**  
**Common Shares**  
**Subscription Receipts**  
**Warrants**  
**Units**

ECN Capital Corp. (“**ECN Capital**” or the “**Company**”) may from time to time offer and issue the following securities: (i) senior or subordinated secured or unsecured debt securities (collectively, the “**Debt Securities**”); (ii) preferred shares (the “**Preferred Shares**”); (iii) common shares (the “**Common Shares**”); (iv) subscription receipts (the “**Subscription Receipts**”); (v) warrants (the “**Warrants**”); and (vi) units (the “**Units**”) comprised of one or more of the other securities described in this short form base shelf prospectus (the “**Prospectus**”). The Debt Securities, Preferred Shares, Common Shares, Subscription Receipts, Warrants and Units (collectively, the “**Securities**”) offered hereby may be offered separately or together, in separate series, in amounts, at prices and on terms to be set forth in an accompanying shelf prospectus supplement (a “**Prospectus Supplement**”).

All shelf information not included in this Prospectus will be contained in one or more Prospectus Supplements that will be delivered to purchasers together with this Prospectus. The aggregate initial offering price of Securities (or the Canadian dollar equivalent thereof at the time of issuance of any Securities that are denominated in a foreign currency or currency unit) that may be sold pursuant to this Prospectus during the 25-month period that this Prospectus, including any amendments hereto, remains valid is limited to \$2,000,000,000.

The specific terms of the Securities in respect of which this Prospectus is being delivered will be set forth in the applicable Prospectus Supplement and may include, where applicable: (i) in the case of Debt Securities, the specific designation, aggregate principal amount, the currency or the currency unit for which the Debt Securities may be purchased, maturity, interest provisions, authorized denominations, offering price, covenants, events of default, any terms for redemption at the option of the Company or the holder, any exchange or conversion terms and any other specific terms; (ii) in the case of Preferred Shares, the designation of the particular series, aggregate principal amount, the number of Preferred Shares offered, the issue price, the dividend rate, the dividend payment dates, any terms for redemption at the option of the Company or the holder, any exchange or conversion terms and any other specific terms; (iii) in the case of Common Shares, the number of shares offered and the offering price; (iv) in the case of Subscription Receipts, the number of Subscription Receipts being offered, the offering price, the conditions and procedures for exchange of the Subscription Receipts for other securities of the Company and any other specific

terms; (v) in the case of Warrants, the designation and number of Warrants being offered, the designation, number and terms of the Preferred Shares or Common Shares purchasable upon exercise of the Warrants, any procedures that will result in the adjustment of those numbers, the exercise price, dates and periods of exercise, the currency in which the Warrants are issued and any other specific terms; and (vi) in the case of Units, the designation and terms of the Units and of the securities comprising the Units and any other specific terms. A Prospectus Supplement may include specific variable terms pertaining to the securities that are not within the alternatives and parameters described in this Prospectus.

This Prospectus does not qualify for issuance debt securities in respect of which the payment of principal and/or interest may be determined, in whole or in part, by reference to one or more underlying interests including, for example, an equity or debt security, a statistical measure of economic or financial performance including, but not limited to, any currency, consumer price or mortgage index, or the price or value of one or more commodities, indices or other items, or any other item or formula, or any combination or basket of the foregoing items. For greater certainty, this Prospectus may qualify for issuance debt securities, including debt securities convertible into other Securities of the Company, in respect of which the payment of principal and/or interest may be determined, in whole or in part, by reference to published rates of a central banking authority or one or more financial institutions, such as a prime rate or bankers' acceptance rate, or to recognized market benchmark interest rates, such rates to be disclosed in each Prospectus Supplement, as applicable.

The outstanding Common Shares are listed on the Toronto Stock Exchange (the "TSX") under the stock symbol "ECN". **Unless otherwise specified in the applicable Prospectus Supplement, the Securities other than Common Shares offered hereby will not be listed or posted for trading on any securities exchange. Accordingly, unless so specified, there will be no market through which these securities may be sold and purchasers may not be able to resell securities purchased under this 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. See "Risk Factors".**

The Securities may be sold through underwriters, dealers or by the Company, directly pursuant to applicable statutory exemptions or through agents designated by the Company, from time to time. See "Plan of Distribution". Each Prospectus Supplement will identify each underwriter, dealer or agent engaged in connection with the offering and sale of those Securities to which the Prospectus Supplement relates, and will also set forth the terms of the offering of such Securities including the net proceeds to the Company and, to the extent applicable, any fees payable to the underwriters, dealers or agents. Unless otherwise specified in a Prospectus Supplement, the offerings are subject to approval of certain legal matters by Blake, Cassels & Graydon LLP on behalf of the Company.

In connection with any offering of the Securities (unless otherwise specified in a Prospectus Supplement), the underwriters or agents may over-allot or effect transactions which stabilize, maintain or otherwise affect the market price of the Securities offered at levels other than those which might otherwise prevail on the open market. These transactions may be commenced, interrupted or discontinued at any time. See "Plan of Distribution".

No underwriter has been involved in the preparation of this Prospectus or performed any review of the contents of this Prospectus.

ECN Capital's head and registered office is located at 161 Bay Street, Suite 3600, Toronto, Ontario, M5J 2S1.

Except as otherwise indicated, all dollar amounts in this Prospectus are expressed in Canadian dollars and references to "\$" are to Canadian dollars.

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### CAUTION REGARDING FORWARD-LOOKING INFORMATION AND STATEMENTS

Certain statements made in this Prospectus contain forward-looking information within the meaning of applicable securities laws (“**forward-looking statements**”). When used in this Prospectus, the words “may”, “would”, “could”, “will”, “intend”, “plan”, “anticipate”, “believe”, “seek”, “propose”, “estimate”, “expect”, and similar expressions, as they relate to the Company, are intended to identify forward-looking statements.

Forward-looking statements and information in this Prospectus and the documents incorporated by reference herein include, but are not limited to, statements with respect to:

- ECN Capital’s expectations regarding its revenue, expenses and operations;
- ECN Capital’s anticipated cash needs and its needs for additional financing;
- ECN Capital’s integration of any future acquisitions;
- ECN Capital’s future growth plans, including growth resulting from acquisitions;
- ECN Capital’s expectations regarding its origination volumes;
- ECN Capital’s ability to attract vendor relationships and new customers and develop and maintain relationships with existing customers;
- ECN Capital’s anticipated delinquency rates and credit losses;
- ECN Capital’s ability to attract and retain personnel;
- ECN Capital’s expectations regarding growth in certain verticals in which it operates;
- ECN Capital’s estimates and expectations regarding its financial results, capitalization, condition and operations following the Arrangement (as defined herein) and future prospects as an independent company;
- the anticipated effects and expected benefits of the Arrangement and ancillary agreements thereto;
- ECN Capital’s future objectives and strategies, including ECN Capital’s stated intention to transition into a fee-based integrated structuring, advisory and asset management model;
- ECN Capital’s stated intention to create funds that allow institutional investors to have direct access to ECN’s proprietary vendor finance programs;

- ECN Capital's ability to pay dividends on its Common Shares;
- ECN Capital's competitive position and its expectations regarding competition; and
- the anticipated trends and challenges in ECN Capital's business and the markets in which it operates.

The forward-looking statements contained herein or incorporated by reference herein are based on certain factors and assumptions, certain of which appear proximate to the applicable forward-looking statements contained or incorporated by reference herein. Inherent in the forward-looking statements are known and unknown risks, uncertainties and other factors beyond the Company's ability to control or predict, that may cause the actual results, performance or achievements of the Company, or developments in the Company's business or in its industry, to differ materially from the anticipated results, performance, achievements or developments expressed or implied by such forward-looking statements. Actual results or developments may differ materially from those contemplated by the forward-looking statements.

Although the Company believes that the expectations reflected in the forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. The Company cannot guarantee future results, levels of activity, performance or achievements. Some of the risks and other factors, some of which are beyond the Company's control, which could cause results to differ materially from those expressed in the forward-looking statements and information contained in this short form prospectus and the documents incorporated by reference herein include, but are not limited to:

- credit risks that may lead to unexpected losses;
- concentration of leases and loans to small and mid-sized companies that may carry more inherent risks;
- concentration of leases and loans within a particular industry or region that may negatively impact ECN Capital's financial condition;
- ECN Capital's provision for credit losses that may prove inadequate;
- the collateral securing a loan or a lease that may not be sufficient;
- lack of funding that may limit ECN Capital's ability to operate, fund future projects or generate returns;
- inability to attract institutional investors to invest in ECN Capital's special purpose funding vehicles;
- global financial markets and general economic conditions that may adversely affect ECN Capital's results;
- concentration of debt financing sources that may increase ECN Capital's funding risks;
- the terms of ECN Capital's credit facilities that may limit its operational flexibility;
- changes in interest rates that may adversely affect ECN Capital's financial results;
- an unexpected increase in ECN Capital's borrowing costs that may adversely affect its earnings;
- a competitive business environment that may limit the growth of ECN Capital's business;
- ECN Capital's credit rating and credit risk that may change;
- competition for vendor equipment finance that may affect ECN Capital's relationships with vendors;
- inability to attract and retain employees that may limit ECN Capital's ability to grow its business;
- loss of key personnel that may significantly harm ECN Capital's business;
- inability to realize benefits from growth (including growth related to acquisitions) that may harm ECN Capital's financial condition;
- ECN Capital's ability to successfully integrate any acquisitions into its operations and to achieve anticipated benefits and synergies of such acquisitions;
- ECN Capital's ability to successfully compete in the commercial and vendor finance, rail finance and commercial aviation finance marketplaces;
- ECN Capital has a brief operating history;
- complications in managing acquisitions that may negatively affect ECN Capital's operating results;
- the market for ECN Capital securities may be volatile and subject to wide fluctuations in response to numerous factors;
- ECN Capital's quarterly net finance income and results of operations may fluctuate substantially;
- information technology infrastructure security breaches that may negatively impact ECN Capital;
- foreign currency risk that creates exposures that may negatively impact ECN Capital;
- unforeseen changes in the legislative framework in which ECN Capital operates that may negatively impact ECN Capital;
- potential benefits and anticipated effects of the Arrangement that may not be realized;
- risks that ECN Capital or Element Fleet (as defined herein) may default on obligations under ancillary agreements to the Arrangement;

- risks related to ECN Capital’s transition to a fee based integrated structuring, advisory and asset management model;
- risks related to ECN Capital’s status as an independent public company;
- litigation may negatively impact ECN Capital’s financial condition; and
- ECN Capital’s reliance on vendors under its vendor financing programs to provide ECN Capital with sufficient and commercially attractive origination opportunities that meet ECN Capital’s credit underwriting standards and guidelines.

This is not an exhaustive list of the factors that may affect any of the Company’s forward-looking statements. Some of these and other factors are discussed in more detail in the Company’s alternative AIF disclosure document dated September 30, 2016 (the “**Alternative AIF Disclosure Document**”) under the heading “Risk Factors”. Investors and others should carefully consider these and other factors and not place undue reliance on the forward-looking statements. Further information regarding these and other risk factors is included in the Company’s public filings, including the Alternative AIF Disclosure Document, with provincial securities regulatory authorities and can be found on the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) website at [www.sedar.com](http://www.sedar.com). The forward-looking statements contained in this Prospectus represent the Company’s views only as of the date hereof. Forward-looking statements contained in this Prospectus are based on management’s current plans, estimates, projections, beliefs and opinions and the assumptions related to these plans, estimates, projections, beliefs and opinions may change, and are presented for the purpose of assisting the Company’s securityholders in understanding management’s current views regarding those future outcomes and may not be appropriate for other purposes. While the Company anticipates that subsequent events and developments may cause the Company’s views to change, the Company does not undertake to update any forward-looking statements, except to the extent required by applicable securities laws.

#### **IFRS AND NON-IFRS MEASURES**

The Company’s consolidated financial statements incorporated by reference in this Prospectus have been prepared in accordance with International Financial Reporting Standards (“**IFRS**”). To supplement its financial statements, the Company uses select non-IFRS measures to analyze performance. Non-IFRS measures used by the Company to analyze performance include adjusted operating expenses, adjusted operating income or before-tax adjusted operating income, adjusted operating income on average earning assets, allowance for credit losses as a percentage of finance receivables, average cost of borrowing, average debt advance rate, average debt outstanding, average net financial income margin yield, average outstanding earning assets or average earning assets, earning assets or total earning assets or finance earning assets, finance assets or total finance assets, financial leverage or financial leverage ratio, net interest income and rental revenue, net before provisions for credit losses, operating expense ratio, provision for credit loss as a percentage of average finance receivables and rental revenue, net. The Company believes that these non-IFRS financial measures provide meaningful supplemental information regarding its performance and may be useful to investors because they allow for greater transparency with respect to key metrics used by management in its financial and operational decision making. Non-IFRS measures do not have standardized meanings and are unlikely to be comparable to any similar measures presented by other companies. Non-IFRS measures do not have standardized meanings and are unlikely to be comparable to any similar measures presented by other companies.

Definitions of non-IFRS measures and a reconciliation of non-IFRS to IFRS measures related to the Company can be found under the heading “IFRS to Non-IFRS Measures” in the Company’s Annual MD&A (as defined herein).

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents filed with the securities commissions or similar authorities in each of the provinces of Canada are specifically incorporated by reference into and form an integral part of this Prospectus:

- (a) the Alternative AIF Disclosure Document, filed under the SEDAR category “Other” on October 27, 2016 (English version) and November 22, 2016 (French version);
- (b) the audited carve-out combined financial statements of the Company as at and for the year ended December 31, 2015, and the related notes thereto and the auditors’ report thereon, filed under the SEDAR category “Other” on October 13, 2016 (English version) and November 23, 2016 (French version) (the “**Annual Audited Carve-out Financial Statements**”);
- (c) management’s discussion and analysis of financial condition and results of operations for the Company in respect of the Annual Audited Carve-out Financial Statements, filed under the SEDAR category “Other” on October 13, 2016 (English version) and November 22, 2016 (French version) (the “**Annual MD&A**”);
- (d) the interim consolidated statement of financial position, and the related notes thereto as at September 30, 2016, filed under the SEDAR category “Interim financial statements/report” on November 14, 2016 (English version) and November 22, 2016 (French version) (the “**Interim Financial Statements**”);
- (e) the amended management’s discussion and analysis of financial condition and results of operations for the Company’s commercial finance business for the three and nine month periods ended September 30, 2016, filed under the SEDAR category “MD&A (amended)” on November 22, 2016 (English and French versions); and
- (f) the interim carve-out combined financial statements of the Company as at and for the three and nine month periods ended September 30, 2016, together with the notes thereto, filed under the SEDAR category “Documents incorporated by reference not previously filed” on November 22, 2016 (English and French versions).

All documents of the Company of the type described in Section 11.1 of Form 44-101F1 — *Short Form Prospectus* to National Instrument 44-101 — *Short Form Prospectus Distributions* (“**NI 44-101**”), if filed by the Company with the provincial securities commissions or similar authorities in Canada after the date of this Prospectus and during the term of this Prospectus, shall be deemed to be incorporated by reference into this Prospectus.

Any template version of any “marketing materials” (as such term is defined in NI 44-101) filed after the date of a Prospectus Supplement and before the termination of the distribution of the Securities offered pursuant to such Prospectus Supplement (together with this Prospectus) is deemed to be incorporated by reference in such Prospectus Supplement.

A Prospectus Supplement containing the specific terms in respect of any Securities will be delivered, together with this Prospectus, to purchasers of such Securities and will be deemed to be incorporated into this Prospectus for the purposes of securities legislation as of the date of the Prospectus Supplement, but only for the purposes of the distribution of the Securities to which such Prospectus Supplement pertains.

**Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded, for purposes of this 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 Prospectus.**

Upon a new interim financial report and related management's discussion and analysis of the Company being filed with the applicable securities regulatory authorities during the term of this Prospectus, the previous interim financial report and related management's discussion and analysis of the Company most recently filed shall be deemed no longer to be incorporated by reference into this Prospectus for purposes of future offers and sales of Securities hereunder. Upon new annual financial statements and related management's discussion and analysis of the Company being filed with the applicable securities regulatory authorities during the currency of this Prospectus, the previous annual financial statements and related management's discussion and analysis of the Company and the previous interim financial report and related management's discussion and analysis of the Company most recently filed shall be deemed no longer to be incorporated by reference into this Prospectus for purposes of future offers and sales of Securities hereunder. Upon a new annual information form of the Company being filed with the applicable securities regulatory authorities during the currency of this Prospectus, notwithstanding anything herein to the contrary, the following documents shall be deemed no longer to be incorporated by reference into this Prospectus for purposes of future offers and sales of Securities hereunder: (i) the previous annual information form (or, if applicable, the Alternative AIF Disclosure Document); (ii) material change reports filed by the Company prior to the end of the financial year in respect of which the new annual information form is filed; (iii) business acquisition reports filed by the Company for acquisitions completed prior to the beginning of the financial year in respect of which the new annual information form is filed; and (iv) any information circular of the Company filed prior to the beginning of the Company's financial year in respect of which the new annual information form is filed.

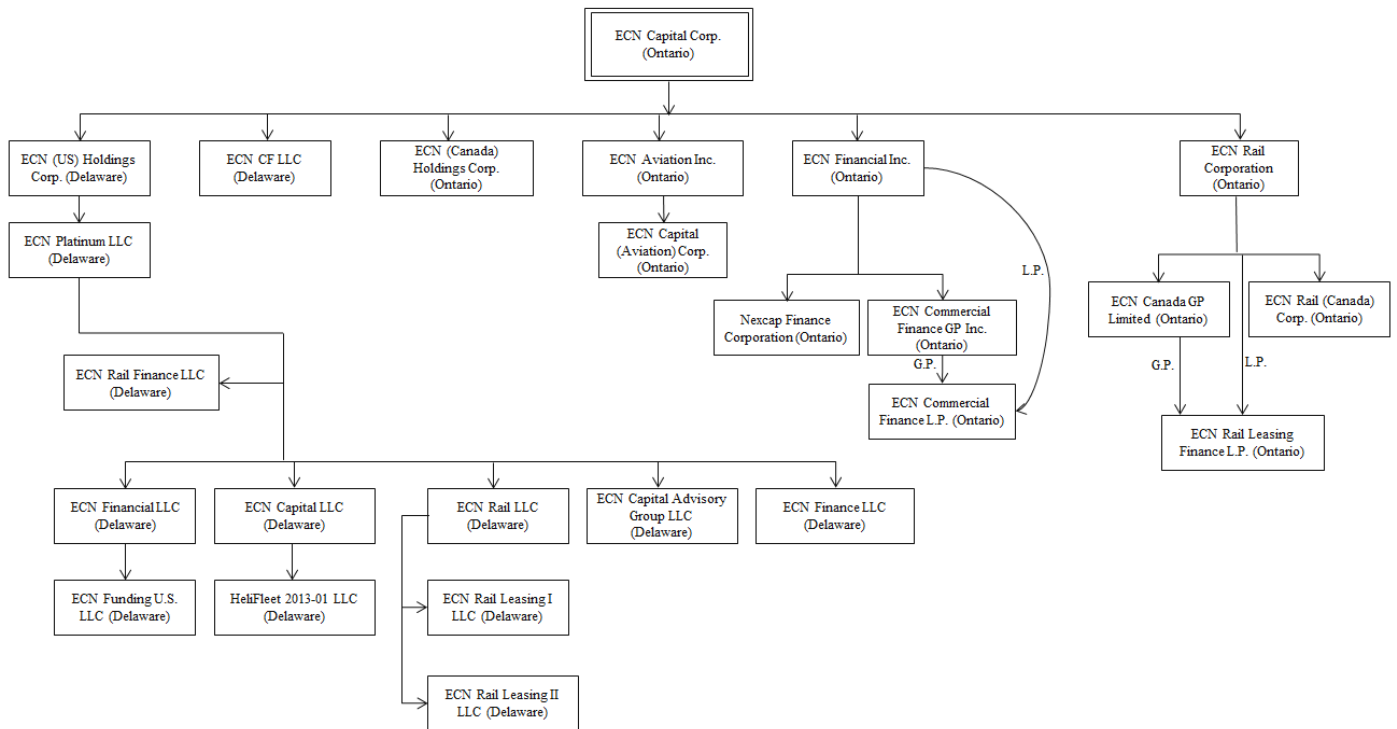
## ECN CAPITAL CORP.

ECN Capital Corp. was incorporated on July 22, 2016 under the *Business Corporations Act* (Ontario) (the “**OBCA**”). The head and registered office of ECN Capital is located at 161 Bay Street, Suite 3600, Toronto, Ontario, M5J 2S1.

On October 3, 2016, ECN Capital, Element Financial Corporation (“**Element**”) and 2510204 Ontario Inc. completed a plan of arrangement (the “**Arrangement**”) pursuant to section 182 of the OBCA under which Element reorganized into two separate publicly traded companies (i) Element (which was renamed Element Fleet Management Corp. (“**Element Fleet**”)) and (ii) ECN Capital. Holders of common shares of Element (“**Element Common Shares**”) ultimately received one new common share of Element Fleet and one Common Share in exchange for each Element Common Share. As a result of the Arrangement and related transactions, the commercial and vendor finance, rail finance and aviation finance businesses of Element and its affiliates, including the assets and liabilities pertaining thereto, were transferred to ECN Capital.

Prior to the completion of the Arrangement (and the transactions contemplated thereby), ECN Capital did not have assets or liabilities, did not conduct operations and did not issue any shares in its capital stock. As a result of the Arrangement, ECN Capital became a reporting issuer in each of the provinces of Canada. ECN Capital’s Common Shares commenced trading on the TSX under the ticker symbol “ECN” on a regular-way basis on October 4, 2016.

The organizational chart below indicates the inter-corporate relationships of the Company and its material subsidiary entities (and including their jurisdiction of incorporation in parenthesis) as of the date hereof. All such subsidiaries are wholly-owned.





## **SUMMARY DESCRIPTION OF THE BUSINESS**

ECN Capital's business is operated across North America in three verticals of the equipment finance market: commercial and vendor finance, rail finance and commercial aviation finance. ECN Capital originates the financing of a broad range of equipment and capital assets by way of secured loans, financial leases, conditional sales contracts and operating leases. ECN Capital originates the vast majority of its commercial and vendor financings through relationships or programs with vendors, in which ECN Capital originates its business by executing master lease and service agreements with end user customers. ECN Capital originates the majority of its rail leases and loans through a vendor finance program with Trinity Industries Inc., as well as through direct originations. Following a strategic review of its aviation finance business in early 2016, Element determined to discontinue the majority of its "on balance sheet" aviation finance business and to sell, manage to maturity or transition to a future aviation fund, its portfolio of aviation assets. Going forward, ECN Capital expects to focus its aviation expertise on arranging, co-investing in and managing portfolios of commercial aviation funds on behalf of institutional investors.

ECN Capital distinguishes itself from traditional lenders such as banks and finance companies in that it: (i) offers select, asset-based financing services rather than providing full-service lending, as well as provides significant services regarding utilization of financed assets; (ii) originates primarily through vendor relationships or programs with equipment manufacturers; (iii) funds its activities through commitments from institutional investors rather than accepting deposits from the public; and (iv) manages equipment finance funds on behalf of institutional investors.

ECN Capital is led by its chief executive officer, Steven Hudson. Mr. Hudson has over 30 years of experience and success in the equipment and asset finance industry, including most recently serving as the chief executive officer of Element since 2011. During Mr. Hudson's time as chief executive officer of Element, Element became one of North America's leading fleet management and equipment finance companies, increasing its portfolio of assets from approximately \$50.0 million to approximately \$24.0 billion as a result of numerous acquisitions, including Element's US\$1.4 billion acquisition of PHH Corporation's fleet management services business in 2014 and Element's \$8.9 billion acquisition of GE Capital Corporation's fleet management operations in the United States, Mexico and Australia & New Zealand in 2015, and significant organic growth. Mr. Hudson also served for 14 years as chief executive officer of Newcourt Credit Group Inc., a company he founded. Under Mr. Hudson's leadership, Newcourt went public in early 1994, completed numerous acquisitions and experienced significant organic growth prior to the merger of Newcourt with The CIT Group, Inc. in 1999. Under Mr. Hudson's leadership, Newcourt completed a number of acquisitions, including AT&T Capital Corporation, Commcorp Financial Services Inc. (CIBC Equipment Leasing) and the asset finance operations of Lloyd's Bank and grew its portfolio of finance assets to approximately \$35.0 billion at the time of its sale to CIT Group.

ECN Capital has an experienced executive management team with seasoned executives leading each of ECN Capital's core business verticals with decades of diversified equipment finance and asset finance industry experience. ECN Capital utilizes its management team's extensive experience in the equipment financing industry to maintain and expand relationships and programs with equipment vendors and direct relationships with customers.

Additional information with respect to the Company's business is included in the Alternative AIF Disclosure Document and Annual MD&A, both of which are incorporated by reference in this prospectus.

## **DESCRIPTION OF SHARE CAPITAL**

The Company's authorized share capital consists of an unlimited number of Common Shares and an unlimited number of Preferred Shares issuable in series.

As at November 14, 2016, there were 386,805,808 Common Shares issued and outstanding and no Preferred Shares issued and outstanding.

## DESCRIPTION OF DEBT SECURITIES

The following sets forth certain general terms and provisions of the Debt Securities. The particular terms and provisions of Debt Securities offered pursuant to a Prospectus Supplement, and the extent to which the general terms and provisions described below may apply to such Debt Securities, will be described in such Prospectus Supplement. Since the terms of a series of Debt Securities may differ from the general information provided in this Prospectus, in all cases an investor should rely on the information in the applicable Prospectus Supplement where it differs from information in this Prospectus. The following description and any description of Debt Securities in the applicable Prospectus Supplement does not purport to be complete and is subject to and qualified in its entirety by reference to the applicable indenture and, if applicable, collateral arrangements relating to such Debt Securities.

The Debt Securities will be either direct secured or unsecured obligations of the Company. Unsecured Debt Securities of the Company will be subordinated to all existing and future secured Debt Securities of the Company to the extent of the assets securing such debt. The Debt Securities will be senior or subordinated indebtedness of the Company as described in the relevant Prospectus Supplement. The senior unsecured Debt Securities will rank equal in right of payment to all other unsecured and unsubordinated indebtedness of the Company. The subordinated unsecured Debt Securities will be subordinated in right of payment to the prior payment in full of the senior Debt Securities and all other senior indebtedness of the Company. The terms of the senior or subordinated secured Debt Securities will be described in the relevant Prospectus Supplement.

The Debt Securities will be issued under one or more indentures between the Company and a financial institution to which the *Trust and Loan Companies Act* (Canada) applies or a financial institution organized under the laws of any province of Canada and authorized to carry on business as a trustee (each, a “**Trustee**”), as supplemented and amended from time to time (each a “**Trust Indenture**” and, collectively, the “**Trust Indentures**”). The statements made hereunder relating to any Trust Indenture and the Debt Securities to be issued thereunder are summaries of certain anticipated provisions thereof and do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all provisions of the applicable Trust Indenture.

Any Prospectus Supplement for Debt Securities will set forth the terms and other information with respect to the Debt Securities being offered thereby, including: (i) the designation, aggregate principal amount and authorized denominations of such Debt Securities; (ii) the currency or currency units for which the Debt Securities may be purchased and the currency or currency unit in which the principal and any interest is payable (in either case, if other than Canadian dollars); (iii) the percentage of the principal amount at which such Debt Securities will be issued; (iv) the date or dates on which such Debt Securities will mature; (v) the rate or rates per annum at which such Debt Securities will bear interest (if any), or the method of determination of such rates (if any); (vi) the dates on which such interest will be payable and the record dates for such payments; (vii) the Trustee under the Trust Indenture pursuant to which the Debt Securities are to be issued; (viii) any redemption term or terms under which such Debt Securities may be defeased; (ix) whether such Debt Securities are to be issued in registered form, “book-entry only” form, bearer form or in the form of temporary or permanent global securities and the basis of exchange, transfer and ownership thereof; (x) any exchange or conversion terms; (xi) any sinking or purchase fund provisions; and (xii) any other specific terms.

Debt Securities may, at the option of the Company, be issued in fully registered form, in bearer form or in “book entry only” form. See “Book Entry Only Securities”.

## DESCRIPTION OF PREFERRED SHARES

The following sets forth certain general terms and provisions of the Preferred Shares. The particular terms and provisions of a series of Preferred Shares offered pursuant to a Prospectus Supplement, and the extent to which the general terms and provisions described below may apply thereto, will be described in such Prospectus Supplement. The following description and any description of Preferred Shares in the applicable Prospectus Supplement does not purport to be complete and is subject to and qualified in its entirety by reference to the articles of the Company.

The Preferred Shares may at any time and from time to time be issued in one or more series. The Company’s board of directors is authorized to fix, before issuance thereof, the number of Preferred Shares of each series, the designation, rights, privileges, restrictions and conditions attaching to the Preferred Shares of each series, including, without limitation, any voting rights, any right to receive dividends (which may be cumulative or non-

cumulative and variable or fixed) or the means of determining such dividends, the dates of payment thereof, any terms and conditions of redemption or purchase, any conversion rights, and any rights on the liquidation, dissolution or winding-up of the Company, any sinking fund or other provisions, the whole to be subject to the issue of a certificate of amendment setting forth the designation, rights, privileges, restrictions and conditions attaching to the Preferred Shares of the series.

The Preferred Shares of each series shall, with respect to the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, rank on a parity with the Preferred Shares of every other series and be entitled to preference over the Common Shares. If any amount of cumulative dividends (whether or not declared) or declared non-cumulative dividends or any amount payable on any such distribution of assets constituting a return of capital in respect of the Preferred Shares of any series is not paid in full, the Preferred Shares of such series shall participate rateably with the Preferred Shares of every other series in respect of all such dividends and amounts.

Any Prospectus Supplement for Preferred Shares will set forth the terms and other information with respect to the Preferred Shares being offered thereby, including: (i) the offering price of the Preferred Shares; (ii) the title, designation and number of shares of the series of Preferred Shares; (iii) the dividend rate or method of calculation, the payment dates for dividends and the place or places where the dividends will be paid, whether dividends will be cumulative or noncumulative, and, if cumulative, the dates from which dividends will begin to accumulate; (iv) any conversion or exchange features or rights; (v) whether the Preferred Shares will be subject to redemption and the redemption price and other terms and conditions relative to the redemption rights; (vi) any liquidation rights; (vii) any sinking fund provisions; (viii) any voting rights; (ix) whether the Preferred Shares will be issued in fully registered or “book-entry only” form; (x) any other rights, privileges, restrictions and conditions attaching to the Preferred Shares; and (xi) any other specific terms.

#### **DESCRIPTION OF COMMON SHARES**

Each Common Share entitles the holder to (i) one vote at all meetings of shareholders (except meetings at which only holders of a specified class of shares are entitled to vote); (ii) receive, subject to the holders of another class of shares, any dividend declared by ECN Capital; and (iii) receive, subject to the rights of the holders of another class of shares, the remaining property of ECN Capital on the liquidation, dissolution or winding up of ECN Capital, whether voluntary or involuntary.

#### **DESCRIPTION OF SUBSCRIPTION RECEIPTS**

The following sets forth certain general terms and provisions of the Subscription Receipts. The Company may issue Subscription Receipts that may be exchanged by the holders thereof for other Securities of the Company upon the satisfaction of certain conditions. The particular terms and provisions of the Subscription Receipts offered pursuant to a Prospectus Supplement, and the extent to which the general terms described below apply to those Subscription Receipts, will be described in such Prospectus Supplement. The following description and any description of Subscription Receipts in the applicable Prospectus Supplement does not purport to be complete and is subject to and qualified in its entirety by reference to the applicable subscription receipt agreement and, if applicable, collateral arrangements and depositary arrangements relating to such Subscription Receipts.

Subscription Receipts may be offered separately or together with other Securities of the Company. The Subscription Receipts will be issued under a subscription receipt agreement. Under the subscription receipt agreement, an original purchaser of Subscription Receipts will have a contractual right of rescission following the issuance of Securities of the Company to such purchaser, entitling the purchaser to receive the amount paid for the Subscription Receipts upon surrender of the Securities if this Prospectus, the relevant Prospectus Supplement, and any amendment thereto, contains a misrepresentation, provided such remedy for rescission is exercised within 180 days of the date the Subscription Receipts are issued.

Any Prospectus Supplement for Subscription Receipts will contain the terms and conditions and other information with respect to the Subscription Receipts being offered thereby, including: (i) the number of Subscription Receipts; (ii) the price at which the Subscription Receipts will be offered and whether the price is payable in instalments; (iii) conditions to the exchange of Subscription Receipts for other Securities of the Company and the consequences of such conditions not being satisfied; (iv) the procedures for the exchange of the Subscription Receipts for other Securities of the Company; (v) the number of Securities of the Company that may be exchanged

upon exercise of each Subscription Receipt; (vi) the designation and terms of any other Securities with which the Subscription Receipts will be offered, if any, and the number of Subscription Receipts that will be offered with each Security; (vii) the dates or periods during which the Subscription Receipts may be exchanged for other Securities of the Company; (viii) whether the Subscription Receipts will be listed on any securities exchange; (ix) whether the Subscription Receipts will be issued in fully registered or “book-entry only” form; (x) any other rights, privileges, restrictions and conditions attaching to the Subscription Receipts; (xi) any risk factors associated with the Subscription Receipts; and (xii) any other specific terms.

## **DESCRIPTION OF WARRANTS**

The following sets forth certain general terms and provisions of the Warrants. The particular terms and provisions of the Warrants offered pursuant to a Prospectus Supplement, and the extent to which the general terms described below apply to those Warrants, will be described in such Prospectus Supplement. The following description and any description of Warrants in the applicable Prospectus Supplement does not purport to be complete and is subject to and qualified in its entirety by reference to the applicable warrant agreement and, if applicable, collateral arrangements and depositary arrangements relating to such Warrants.

The Company may issue Warrants for the purchase of Preferred Shares or Common Shares. Warrants may be issued independently or together with Preferred Shares or Common Shares offered by any Prospectus Supplement and may be attached to, or separate from, any such offered Securities. Warrants will be issued under one or more warrant agreements between the Company and a warrant agent that the Company will name in the Prospectus Supplement.

Any Prospectus Supplement for Warrants will contain the terms and other information with respect to the Warrants being offered thereby, including: (i) the designation of the Warrants; (ii) the aggregate number of Warrants offered and the offering price; (iii) the designation, number and terms of the Preferred Shares or Common Shares or other securities purchasable upon exercise of the Warrants, and procedures that will result in the adjustment of those numbers; (iv) the exercise price of the Warrants; (v) the dates or periods during which the Warrants are exercisable; (vi) the designation and terms of any Securities with which the Warrants are issued; (vii) if the Warrants are issued as a unit with another security, the date on and after which the Warrants and the other security will be separately transferable; (viii) the currency or currency unit in which the exercise price is denominated; (ix) any minimum or maximum amount of Warrants that may be exercised at any one time; (x) whether such Warrants will be listed on any securities exchange; (xi) any terms, procedures and limitations relating to the transferability or exercise of the Warrants; (xii) whether the Warrants will be issued in fully registered or “book-entry only” form; (xiii) any other rights, privileges, restrictions and conditions attaching to the Warrants; (xiv) any risk factors associated with the Warrants; and (xv) any other specific terms.

## **DESCRIPTION OF UNITS**

The following sets forth certain general terms and provisions of the Units. The particular terms and provisions of the Units offered pursuant to a Prospectus Supplement, and the extent to which the general terms described below apply to those Units, will be described in such Prospectus Supplement. The following description and any description of Units in the applicable Prospectus Supplement does not purport to be complete and is subject to and qualified in its entirety by reference to any agreement, collateral arrangements and depositary arrangements relating to such Units.

The Company may issue Units comprised of one or more of the other Securities described in this Prospectus in any combination. Each Unit will be issued so that the holder of the Unit is also the holder of each Security included in the Unit. Thus, the holder of a Unit will have the rights and obligations of a holder of each included Security. The unit agreement under which a Unit is issued may provide that the Securities included in the Unit may not be held or transferred separately, at any time or at any time before a specified date.

Any Prospectus Supplement for Units will contain the terms and other information with respect to the Units being offered thereby, including: (i) the designation and terms of the Units and of the Securities comprising the Units, including whether and under what circumstances those Securities may be held or transferred separately; (ii) any provisions for the issuance, payment, settlement, transfer or exchange of the Units or of any Securities comprising the Units; (iii) whether the Units will be issued in fully registered or “book-entry only” form; and (iv) any other specific terms.

## CREDIT RATINGS

The following credit rating information is being provided as it relates generally to the Company's financing costs, liquidity and operations. More specifically, credit ratings impact the Company's ability to obtain short-term and long-term financing and can affect the cost of such financing.

### *DBRS Limited*

On October 3, 2016, DBRS Limited ("**DBRS**") assigned an issuer rating of "BBB (low)" to the Company, with a stable trend.

DBRS corporate rating analysis begins with an evaluation of the fundamental creditworthiness of the issuer, which is reflected in an "issuer rating". Issuer ratings address the overall credit strength of the issuer, and the scale ranges from AAA (highest credit quality) to D (very highly speculative) categories. A DBRS rating may be modified by the addition of a "(high)" or "(low)" to indicate the relative standing within a particular rating category. The absence of either a "(high)" or "(low)" designation indicates that the rating is in the "middle" of the category.

BBB (low) is the fourth highest of ten DBRS issuer rating categories. Unlike ratings on individual securities or classes of securities, issuer ratings are based on the entity itself and do not include consideration for security or ranking. An issuer rating of BBB (low) means that the issuer has adequate credit quality, that the issuer's capacity for the payment of financial obligations is considered acceptable, and that the issuer may be vulnerable to future events.

Rating trends provide guidance in respect of DBRS' opinion regarding outlook for the rating in question. A "stable" trend indicates that a rating is not likely to change.

### *Kroll Rating*

On October 3, 2016, Kroll Bond Rating Agency ("**KBRA**") assigned an issuer rating of "BBB" to the Company, with a stable outlook.

KBRA's credit ratings are on a long-term credit rating scale that ranges from AAA to D, which represents the range from highest to lowest quality of rating. KBRA may append "+" or "-" modifiers in the AA through CCC range to indicate, respectively, lower and upper risk levels within the broader category. KBRA may also assign rating outlooks, which take on the following four states: positive, negative, stable and developing.

A "BBB" rating is the fourth highest of KBRA's ten rating categories. An issuer rating of BBB means that the issuer has medium credit quality with some risk of loss due to credit-related events. Such issuers and obligations may experience credit losses during stress environments.

KBRA's credit ratings are intended to reflect both the probability of default and severity of loss in the event of default, with greater emphasis on probability of default at higher rating categories. For obligations, the determination of expected loss severity is, among other things, a function of the seniority of the claim. Generally speaking, issuer-level ratings assume a loss severity consistent with a senior unsecured claim.

### *General*

A rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the rating organization. Credit ratings may not reflect the potential impact of all risks on the value of securities. The Company cannot know for certain that a rating will remain in effect for any given period of time or that a rating agency will not revise or withdraw it entirely in the future.

The Company paid customary fees to the rating agencies noted above in connection with the above-mentioned ratings.

## **BOOK-ENTRY ONLY SECURITIES**

Securities issued in “book-entry only” form must be purchased, transferred or redeemed through participants (“**CDS Participants**”) in the depository service of CDS Clearing and Depository Services Inc. or a successor (collectively, “**CDS**”). Each of the underwriters, dealers or agents, as the case may be, named in a Prospectus Supplement will be a CDS Participant or will have arrangements with a CDS Participant. On the closing of a book-entry only offering, the Company may cause a global certificate or certificates representing the aggregate number of Securities subscribed for under such offering to be delivered to, and registered in the name of, CDS or its nominee. Except as described below, no purchaser of Securities issued in book-entry-only form or non-certificated form will be entitled to a certificate or other instrument from the Company or CDS evidencing that purchaser’s ownership thereof, and no purchaser will be shown on the records maintained by CDS except through a book-entry account of a CDS Participant acting on behalf of such purchaser. Each purchaser of Securities will receive a customer confirmation of purchase from the registered dealer from which the Securities are purchased in accordance with the practices and procedures of that registered dealer. The practices of registered dealers may vary, but generally customer confirmations are issued promptly after execution of a customer order. CDS will be responsible for establishing and maintaining book-entry accounts for its CDS Participants having interests in the Securities. Reference in this Prospectus to a holder of Securities means, unless the context otherwise requires, the owner of the beneficial interest in the Securities.

If the Company determines, or CDS notifies the Company in writing, that CDS is no longer willing or able to discharge properly its responsibilities as depository with respect to the Securities and the Company is unable to locate a qualified successor, or if the Company at its option elects, or is required by law, to terminate the book-entry system, then the Securities will be issued in fully registered form to holders or their nominees.

### **Transfer, Conversion or Redemption of Securities**

Transfer of ownership, conversion or redemption of Securities will be effected through records maintained by CDS or its nominee for such Securities with respect to interests of CDS Participants, and on the records of CDS Participants with respect to interests of persons other than CDS Participants. Holders who desire to purchase, sell or otherwise transfer ownership of or other interests in the Securities may do so only through CDS Participants.

The ability of a holder to pledge a Security or otherwise take action with respect to such holder’s interest in a Security (other than through a CDS Participant) may be limited due to the lack of a physical certificate.

### **Payments and Notices**

Payments of principal, redemption price, if any, dividends and interest, as applicable, on each Security will be made by the Company to CDS or its nominee, as the case may be, as the registered holder of the Security and the Company understands that such payments will be credited by CDS or its nominee in the appropriate amounts to the relevant CDS Participants. Payments to holders of Securities of amounts so credited will be the responsibility of the CDS Participants.

As long as CDS or its nominee is the registered holder of the Securities, CDS or its nominee, as the case may be, will be considered the sole owner of the Securities for the purposes of receiving notices or payments on the Securities. In such circumstances, the responsibility and liability of the Company in respect of notices or payments on the Securities is limited to giving or making payment of any principal, redemption price, if any, dividends and interest due on the Securities to CDS or its nominee.

Each holder must rely on the procedures of CDS and, if such holder is not a CDS Participant, on the procedures of the CDS Participant through which such holder owns its interest, to exercise any rights with respect to the Securities. The Company understands that under existing policies of CDS and industry practices, if the Company requests any action of holders or if a holder desires to give any notice or take any action which a registered holder is entitled to give or take with respect to the Securities, CDS would authorize the CDS Participant acting on behalf of the holder to give such notice or to take such action, in accordance with the procedures established by CDS or agreed to from time to time by the Company, any Trustee and CDS. Any holder that is not a CDS Participant must rely on the contractual arrangement it has directly, or indirectly through its financial intermediary, with its CDS Participant to give such notice or take such action.

The Company, the underwriters, dealers or agents and any Trustee identified in a Prospectus Supplement, as applicable, will not have any liability or responsibility for: (i) records maintained by CDS relating to beneficial ownership interest in the Securities held by CDS or the book-entry accounts maintained by CDS; (ii) maintaining, supervising or reviewing any records relating to any such beneficial ownership interest; or (iii) any advice or representation made by or with respect to CDS and contained herein or in any Trust Indenture with respect to the rules and regulations of CDS or at the directions of the CDS Participants.

### **EARNINGS COVERAGE RATIOS**

Earnings coverage ratios will be provided, as required, in each Prospectus Supplement with respect to the issuance of Securities pursuant to such Prospectus Supplement.

### **TRADING PRICE AND VOLUME**

Trading prices and volume of the Securities will be provided, as required, for all of ECN Capital's issued and outstanding Common Shares in each Prospectus Supplement with respect to the issuance of Securities pursuant to such Prospectus Supplement.

### **PRIOR SALES**

Prior sales of Securities will be provided, as required, in each Prospectus Supplement with respect to the issuance of Securities pursuant to such Prospectus Supplement.

### **PLAN OF DISTRIBUTION**

The Securities offered hereby may be sold: (i) through underwriters or dealers, (ii) directly to one or more purchasers pursuant to applicable statutory exemptions, or (iii) through agents. The Securities may be sold at fixed prices or non-fixed prices, such as prices determined by reference to the prevailing price of the Securities in a specified market, at market prices prevailing at the time of sale or at prices to be negotiated with purchasers, which prices may vary as between purchasers and during the period of distribution of the Securities. The Prospectus Supplement for any of the Securities being offered thereby will set forth the terms of the offering of such Securities, including the type of Security being offered, the name or names of any underwriters, dealers or agents, the purchase price of such Securities, the proceeds to, and the portion of expenses borne by the Company, from such sale, any underwriting discounts and other items constituting underwriters' compensation, any public offering price and any discounts or concessions allowed or re-allowed or paid to dealers. Only underwriters so named in the Prospectus Supplement are deemed to be underwriters in connection with the Securities offered thereby.

If underwriters are used in the sale, the Securities will be acquired by the underwriters for their own account and may be resold from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale, at market prices prevailing at the time of sale or at prices related to such prevailing market prices. The obligations of the underwriters to purchase such Securities will be subject to certain conditions precedent, and the underwriters will be obligated to purchase all the Securities offered by the Prospectus Supplement if any of such Securities are purchased. Any public offering price and any discounts or concessions allowed or re-allowed or paid to underwriters, dealers or agents may be changed from time to time.

The Securities may also be sold (i) directly by the Company at such prices and upon such terms as agreed to by the Company and the purchaser or (ii) through agents designated by the Company from time to time. Any agent involved in the offering and sale of the Securities in respect of which this Prospectus is delivered will be named, and any commissions payable by the Company to such agent will be set forth in the Prospectus Supplement. Unless otherwise indicated in the Prospectus Supplement, any agent is acting on a best efforts basis for the period of its appointment.

The Company may agree to pay the underwriters a commission for various services relating to the issue and sale of any Securities offered hereby. Any such commission payable by the Company will be paid out of the general corporate funds of the Company. Underwriters, dealers and agents who participate in the distribution of the Securities may be entitled under agreements to be entered into with the Company to indemnification by the

Company against certain liabilities, including liabilities under securities legislation, or to contribution with respect to payments which such underwriters, dealers or agents may be required to make in respect thereof.

In connection with any offering of the Securities (unless otherwise specified in a Prospectus Supplement), the underwriters or agents may over-allot or effect transactions which stabilize, maintain or otherwise affect the market price of the Securities offered at levels other than those which might otherwise prevail on the open market. These transactions may be commenced, interrupted or discontinued at any time.

Unless otherwise specified in a Prospectus Supplement, the Securities will not be registered under the United States Securities Act of 1933, as amended.

## **RISK FACTORS**

Before deciding whether to invest in any Securities, investors should consider carefully the risks set out in the documents incorporated by reference in this Prospectus, including the disclosure under the heading “Risk Factors” in the Alternative AIF Disclosure Document and under the headings “Risk Management” and “Critical Accounting Policies and Estimates” in the Annual MD&A, and all subsequently filed documents incorporated by reference herein. Additional risk factors relating to a specific offering of Securities will be described in the applicable Prospectus Supplement.

## **USE OF PROCEEDS**

The use of proceeds of the sale of each series of Securities will be described in each Prospectus Supplement relating to the specific issuance of Securities.

## **DIVIDEND POLICY**

The Company’s board of directors has established an initial dividend policy pursuant to which the Company will authorize the declaration and payment of a fixed dividend to be paid to holders of Common Shares. The initial dividend policy is based on an annual dividend of \$0.04 per Common Share. The declaration of dividends and the amount of any dividends payable by the Company is at the discretion of the Company’s board of directors and is established on the basis of the Company’s earnings, cash flow and financial condition, the Company’s need to finance its business activities, any restrictions contained in the Company’s credit or financing agreements, and such other factors as the Company’s board of directors considers appropriate. See “Risk Factors” in the Alternative AIF Disclosure Document.

## **LEGAL MATTERS**

Unless otherwise specified in a Prospectus Supplement, certain legal matters in connection with the Securities offered hereby will be passed upon by Blake, Cassels & Graydon LLP on behalf of the Company.

## **INTEREST OF EXPERTS**

As of the date hereof, the partners and associates of Blake, Cassels & Graydon LLP, as a group, own, directly or indirectly less than 1% of the Common Shares.

Ernst & Young LLP, Chartered Accountants, Toronto, Ontario, as auditors of the Company, has advised the Company that it is independent within the meaning of the CPA Code of Professional Conduct of the Chartered Professional Accountants of Ontario.

## **AUDITOR, TRANSFER AGENT AND REGISTRAR**

The Company’s external auditors are Ernst & Young LLP, Chartered Accountants and Licensed Public Accountants, located at 222 Bay Street, Toronto, Ontario M5K 1J7.

The Company’s transfer agent, dividend-paying agent and registrar is Computershare Investor Services Inc., located at 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario M5J 2Y1.



## ENFORCEMENT OF JUDGMENTS AGAINST FOREIGN PERSONS OR COMPANIES

Gordon Giffin, a director of the Company who resides outside of Canada, has appointed Blakes Extra-Provincial Services Inc., 199 Bay Street, Suite 4000, Toronto, ON, M5L 1A9 as his agent for service of process.

Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

## EXEMPTIONS FROM CERTAIN DISCLOSURE REQUIREMENTS

Pursuant to Multilateral Instrument 11-102 – *Passport System* and the procedures set forth in National Policy 11-203 – *Process for Exemptive Relief Applications in Multiple Jurisdictions*, the Company applied to the Ontario Securities Commission (the “OSC”), as principal regulator on behalf of the securities regulatory authorities in each of the other provinces of Canada, for exemptive relief from Section 2.2(d) of NI 44-101. That section requires that the Company have “current annual financial statements” and a “current AIF”, each as defined in NI 44-101, in at least one jurisdiction in which the Company is a reporting issuer in order to qualify to file a short form prospectus under NI 44-101 (the “**Annual Financial Statement and AIF Requirement**”).

Except for not meeting the Annual Financial Statement and AIF Requirement, the Company would otherwise be qualified to file a prospectus in the form of a short form prospectus in accordance with NI 44-101.

On October 31, 2016, the OSC granted an order exempting the Company from the Annual Financial Statement and AIF Requirement provided that, in each short form prospectus or prospectus supplement that is filed pursuant to a short form base shelf prospectus between November 14, 2016 and the time when the Company is required to file annual financial statements and an AIF, the Company includes or incorporates by reference: (i) the disclosure that otherwise would have been required to be included in a current AIF (such disclosure being the Alternative AIF Disclosure Document incorporated by reference into this Prospectus); (ii) the Annual Audited Carve-out Financial Statements; (iii) the Interim Financial Statements; and (iv) the unaudited interim condensed carve-out combined financial statements of the Company as at and for the three- and nine-month periods ended September 30, 2016 and 2015, together with the notes thereto.

## PURCHASERS’ STATUTORY AND CONTRACTUAL RIGHTS

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province for the particulars of these rights or consult with a legal adviser.

In addition, original purchasers of Subscription Receipts, Warrants or convertible or exchangeable Debt Securities (or Units comprised wholly or partly of any such Securities) will have a contractual right of rescission against the Company following the issuance of underlying securities of the Company to such original purchasers upon the conversion, exchange or exercise of such Securities. The contractual right of rescission will entitle such original purchasers to receive the amount paid upon conversion, exchange or exercise upon surrender of the underlying securities acquired thereby, in the event that this Prospectus (as supplemented or amended) contains a misrepresentation, provided that: (i) the conversion, exchange or exercise takes place within 180 days of the date of the purchase of the convertible, exchangeable or exercisable Security under this Prospectus; and (ii) the right of rescission is exercised within 180 days of the date of the purchase of the convertible, exchangeable or exercisable Security under this Prospectus.

In an offering of Subscription Receipts, Warrants or convertible or exchangeable Debt Securities (or Units comprised wholly or partly of any such Securities), investors are cautioned that the statutory right of action for damages for a misrepresentation contained in the prospectus is limited, in certain provincial securities legislation, to

the price at which Subscription Receipts, Warrants or convertible or exchangeable Debt Securities (or Units comprised wholly or partly of any such Securities) are offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces, if the purchaser pays additional amounts upon the conversion, exchange or exercise of the security, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of this right of action for damages or consult with a legal adviser.

**CERTIFICATE OF ECN CAPITAL CORP.**

Dated: November 23, 2016

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 of Canada.

*(signed)* Steven K. Hudson  
Chief Executive Officer

*(signed)* Michel Béland  
Chief Financial Officer

On behalf of the Board of Directors

*(signed)* William Lovatt  
Director

*(signed)* David Morris  
Director