



News Release

For Immediate Release

Element Closes Transaction to Separate into Element Fleet Management and ECN Capital

Toronto, Canada – October 3, 2016 – Element Financial Corporation (“Element”), now Element Fleet Management Corp. (TSX: EFN) (“Element Fleet”) and ECN Capital Corp. (TSX: ECN) (“ECN Capital”) today jointly announced the completion of the reorganization of Element into two separate publicly-traded companies (the “Separation Transaction”), implemented by way of statutory plan of arrangement (the “Arrangement”).

As a result of the Separation Transaction, Element Fleet, led by Bradley Nullmeyer as CEO, has been established as the world’s largest publicly traded fleet management company with approximately \$18.0 billion in assets and ECN Capital, led by Steven Hudson as CEO, has been established as a leading North American commercial finance company with approximately \$8.2 billion in owned and managed assets. The Separation Transaction was approved by 99.5% of Element Fleet shareholders at a special meeting of shareholders on September 20, 2016, and by the Ontario Superior Court of Justice (Commercial List) on September 21, 2016.

“Today, two standalone, market-leading companies are emerging from the strong and deep roots that built Element Financial Corporation over the last five years into North America’s largest independent commercial finance company,” said Steven Hudson, Element’s former Chief Executive Officer and current CEO of ECN Capital.

“As separate stand-alone companies we now have an even greater opportunity to focus all of our resources on what will best serve our respective customers, shareholders, partners and employees,” said Bradley Nullmeyer, former President of Element and current CEO of Element Fleet.

“The timely completion of this transaction could not have been achieved without the leadership and determination of Element’s management team, the tireless effort of our employees, guidance from the Board and the support of the Company’s advisors,” said William Lovatt, Element’s former Chairman and current Chairman of ECN Capital.

At closing of the Separation Transaction, Element Fleet and ECN Capital are each owned by Element’s shareholders, with Element shareholders receiving one Element Fleet common share and one ECN Capital common share for each Element common share held prior to the Separation Transaction.

Trading

It is expected that, until close of trading on October 3, 2016, trading on the Toronto Stock Exchange (“TSX”) in Element common shares will continue on a “due bill” basis, trading in Element Fleet common shares will continue on a “when issued ex-distribution” basis, and trading in ECN Capital common shares will continue on a “when issued” basis.

At the start of trading on Tuesday, October 4, 2016, common shares of ECN Capital will commence trading on the TSX on a regular-way basis under the ticker symbol “ECN”, and common shares of Element Fleet will commence trading on the TSX on a regular-way basis under the ticker symbol “EFN”.

Element’s Convertible Debentures – Conversion Price Adjustment Formula

Element also today confirmed the formula for the determination for the adjustment to the conversion prices to the \$345 million aggregate principal amount of 5.125% convertible debentures due June 30, 2019 (the “2014 Debentures”) and the \$575 million aggregate principal amount of 4.25% convertible debentures due June 30, 2020 (the “2015 Debentures”, and together with the 2014 Debentures, the “Debentures”) to give effect to the Arrangement. The Debentures remain the outstanding obligations of Element Fleet.

In accordance with the indentures governing the Debentures, the Board has determined, after consideration of the advice received from its legal and financial advisors, to adjust the applicable conversion prices (the “Adjusted Conversion Prices”) of the Debentures in a manner equitable in the circumstances so as to reflect the effect of the Arrangement. Element has received the TSX’s approval of the formula to calculate the adjustment to the conversion price of the Debentures. The Adjusted Conversion Prices will be calculated based on the following formula:

$$ACP = CP \times \left(\frac{P_{\text{(Element Fleet)}}}{P_{\text{(Element Fleet)}} + P_{\text{(ECN Capital)}}} \right)$$

where:

ACP = the adjusted conversion price of the applicable Debentures;

CP = the conversion price of the applicable Debentures;

$P_{\text{(Element Fleet)}}$ = the volume weighted-average price (“**VWAP**”) of the common shares in the capital of Element Fleet (“**Element Fleet Common Shares**”) over the first 10 consecutive trading day period on the TSX after, and including, October 4, 2016, as the date when “*regular-way*” trading begins for the Element Fleet Common Shares; and

$P_{\text{(ECN Capital)}}$ = the VWAP of the common shares in the capital of ECN Capital (“**ECN Capital Common Shares**”) over the first 10 consecutive trading day period on the TSX after, and including, October 4, 2016, as the date when “*regular-way*” trading begins for the ECN Capital Common Shares.

A notice with a description of the calculation used to determine the Adjusted Conversion Prices will be sent to holders of the Debentures (the “Debenture holders”). The Debenture holders will also receive a subsequent notice with the Adjusted Conversion Prices after 10 consecutive trading days for the ECN Capital Common Shares and Element Fleet Common Shares.

About Element Fleet Management Corp.

Element Fleet Management (TSX: EFN) is the leading global fleet management company, providing world-class management services and financing for commercial vehicle and equipment fleets. Element's suite of fleet management services span the total fleet lifecycle, from acquisition and financing to program management and remarketing – helping customers optimize performance and improve productivity. For more information, visit www.elementfleet.com.

About ECN Capital Corp.

With total owned and managed assets of \$8.2 billion, ECN Capital (TSX: ECN) is one of North America’s leading commercial finance companies. ECN Capital operates across North America in three verticals of the commercial finance market - Rail Finance, Commercial & Vendor Finance, and Commercial Aviation Finance.

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This release includes forward-looking statements regarding Element Fleet and ECN Capital and its business. Such statements are based on the current expectations and views of future events of Element Fleet and ECN Capital’s management. In some cases the forward-looking statements can be identified by words or phrases such as “may”, “will”, “expect”, “plan”, “anticipate”, “intend”, “potential”, “estimate”, “believe” or the negative of these terms, or other similar expressions intended to identify forward-looking statements, including with respect to the future financial and operating performance of each of Element Fleet and ECN Capital, the strategic advantages, business plans and future opportunities of each of Element Fleet and ECN Capital and the ability of ECN Capital to transition to an asset management business. The forward-looking events and circumstances discussed in this release may not occur and could differ materially as a result of known and unknown risk factors and uncertainties affecting Element Fleet and ECN Capital, including risks regarding the equipment finance industry, economic factors and many other factors beyond the control of Element Fleet or ECN Capital. No forward-looking statement can be guaranteed. Forward-looking statements and information by their nature are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statement or information. Accordingly, readers should not place undue reliance on any forward-looking statements or information. A discussion of the material risks and assumptions associated with this outlook can be found in Element’s management information circular dated July 28, 2016, all of which have been filed on SEDAR and can be accessed at www.sedar.com. Accordingly, readers should not place undue reliance on any forward-looking statements or information. Except as required by applicable securities laws, forward-looking statements speak only as of the date on which they are made and neither Element Fleet nor ECN Capital undertakes any obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.