



Capital and Operations Right Sizing

MAY 31, 2018

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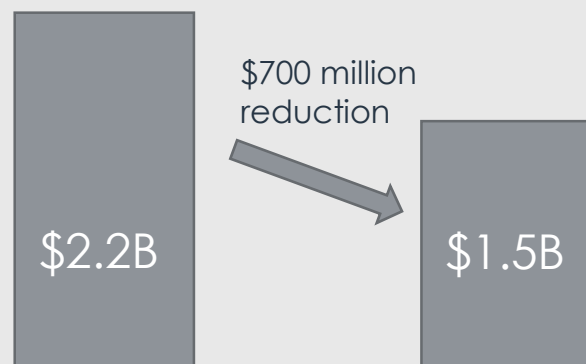
Changes to Senior Credit Facility

INCREASED FLEXIBILITY OF CREDIT FACILITY - COMPLETE

- EBITDA from capital light businesses¹ now eligible for leverage at 300% up to a maximum of US\$350 million
- Expanded eligibility of borrowing base to include credit card receivables to support Kessler investment

REDUCE SIZE OF CREDIT FACILITY – TO BE COMPLETE BY END OF Q3

- Reduction in size of senior credit facility to be completed at annual renewal date
- Results in standby fee savings of \$2.4 million annually and upfront commitment fee savings of \$0.5 million annually
- Further reductions will be considered as legacy rail and aviation assets are sold or runoff



¹ Calculated as EBITDA from capital light businesses net of reduction for corporate expenses


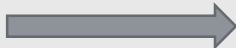
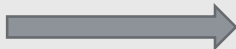
Credit Ratings Update

INVESTMENT GRADE CREDIT RATINGS CONFIRMED

- Maintenance of investment grade credit ratings continue to be a key priority and strategic advantage for ECN
- On May 11th, DBRS confirmed ECN's long term issuer rating of BBB (low) with a Stable outlook after the announcement of the Kessler Group investment. DBRS highlighted the benefits of additional revenue diversification and the stable nature of contractual based revenue from this business.
- On May 14th, Kroll Bond Rating Agency provided confirmation of ECN's BBB issuer rating with Stable outlook. Kroll emphasized ECN's continued low leverage strategy and strong liquidity profile. The increase in revenue diversification and stability was also highlighted in their report.

Leadership on Cost Reduction

EXECUTIVE COMPENSATION TO BE REDUCED IN 2018

	<u>2017 COMPENSATION</u>		<u>2018 TARGET COMPENSATION¹</u>
CEO	\$5.3 million	 20% reduction	\$4.3 million
President	\$4.5 million	 12.5% reduction	\$3.9 million
CFO	\$2.6 million	 12.5% reduction	\$2.3 million

¹Assumes Board approved performance metrics are achieved in 2018
Amounts converted to US Dollars at an assumed exchange rate of 1.29 USD/CAD

Summary of Corporate Operating Expenses

	US\$M Quarterly	US\$M Annualized
Q1 2018	~\$7.5	~\$30

Actions

- Executive compensation reductions; led by 20% reduction by CEO
- Eliminate M&A related costs
- Other SG&A reductions

Q3 2018	~\$6.25	~\$25
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Actions

- Further executive compensation reductions
- Right-sizing corporate overhead

Q1 2019	~\$5-5.25	~\$20-21
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- Reductions will result in one-time severance and other costs of \$6 million

Cost reductions represent a ~30% improvement from Q1 2018 to Q1 2019