ECN CAPITAL

# ECN CAPITAL CORP.

# NOTICE OF
# ANNUAL MEETING OF SHAREHOLDERS
# TO BE HELD ON MARCH 26, 2019

# AND

# MANAGEMENT INFORMATION CIRCULAR

February 27, 2019

**ECN CAPITAL CORP.**

**Invitation to Fellow Shareholders**

On behalf of the Board and management, we are pleased to invite you to our annual meeting of common shareholders of ECN Capital Corp. ("**ECN Capital**" or the "**Corporation**"). The meeting will be held at the offices of Blake, Cassels and Graydon LLP, 199 Bay Street, Suite 4000, Commerce Court West, Toronto, M5L 1A9, Ontario, Canada on March 26, 2019 at 8:30 a.m. (Toronto time).

In 2018, ECN Capital completed its previously announced transformation into an "asset light" asset manager model. We are proud of what our Board and management have accomplished over the last year in completing this transformation and executing on our new business model over such a short timeframe. Our successes from this past year include:

- **Strong 2018 financial results driven by performance and execution of new business model:** At the end of 2018, ECN Capital had over $31 billion in managed and advisory portfolios, following originations in 2018 of $1.8 billion. These originations under the Company's new asset light business model in our three new business verticals contributed adjusted net income from continuing operations of $46.4 million in 2018, or $0.11 per common share and resulted in adjusted EBITDA of $97.5 million for 2018. With the acceleration of the disposition of our remaining legacy rail and aviation assets, to be completed by the end of 2019, our efforts will be focussed on executing our new business model which is well positioned to enhance value for our shareholders.

- **Completion of business transformation by realizing on ECN Capital's stated growth and capital strategy:** Completed our transition into an asset light, high return, asset management business model with the Kessler Group investment and the integration and expansion of our three new business verticals (including the Kessler Group), complemented by the successful divestiture of our Canadian C&V assets, legacy rail assets and the acceleration of our exit from the legacy aviation business.

- **Successful execution of capital deployment initiatives:** ECN Capital's strong capital position and asset-light business model, has afforded us the opportunity to reassess our capital requirements on a go-forward basis. This has allowed us to opportunistically redeploy capital, including return of capital to shareholders by way of two successful substantial issuer bids and a normal course issuer bid, that have resulted in a reduction of our issued and outstanding shares by approximately 40%.

- **Cost reduction initiatives**: In 2018 we committed to, and implemented, certain corporate cost reduction initiatives. In particular, following internal review and engagement and discussions with shareholders, corporate costs have been reduced and we have achieved committed executive compensation reductions of between 12.5% to 20% for our senior executive management team.

- **Continued engagement with our shareholders:** We prioritized an open and transparent dialogue with our shareholders and continued our ongoing shareholder engagement initiatives, including a continued commitment to our annual "say-on-pay" advisory vote.

Since ECN Capital's inception, our Board and management have also worked to ensure that the Corporation's compensation, corporate governance, and shareholder engagement practices are aligned with ECN Capital's strategy, performance, growth, shareholder interests and market practice. Several of the measures instituted by the Corporation to achieve these ends are outlined below, with further details provided in the attached circular.

***Business Transformation Complete.*** In 2018, ECN Capital completed its previously announced transformation away from its legacy on-balance sheet asset management business into a high growth, asset-light asset management business model. Following this transformation, we now operate as an asset manager that owns a portfolio of business services providers that operate under a fee-based, "asset light" model through which we originate, manage and advise on prime credit portfolios to a growing network of U.S. banks and credit unions.

***Strategic M&A Execution.*** In 2018, ECN Capital completed its acquisition of an 80% interest in the Kessler Group, which provided us with our third core business services platform and largely completed the primary acquisition phase of our business model transition. In addition, ECN Capital announced and/or completed strategic divestitures of a substantial portion of its legacy businesses, including the completion of the sale of our Canadian C&V assets, the sale of approximately 95% of our remaining railcar assets (at 0.90x book value) and the acceleration of the wind-down of our aviation portfolio business (to be completed by the end of 2019). These strategic divestitures of the Corporation's legacy business assets have provided (or will provide) equity capital for redeployment, which we expect to opportunistically redeploy into growth opportunities for our three business services platforms, potential tuck-in acquisitions for adjacent business lines to our core business services platforms and/or the return of capital to shareholders.

***Commitment to Shareholder Alignment, Pay for Performance and Long-Term Corporate Performance.*** In response to shareholder engagement and feedback and ongoing evaluation and discussions our senior executive management team agreed to a reduction in their executive compensation of between 12.5% to 20% in 2018 (including a 20% reduction for the CEO), which allowed the Corporation to commit to and achieve targeted executive compensation reductions for 2018. A majority of the target compensation of our senior management is share-based and equity aligned, promoting equity ownership as well as attracting, retaining and incentivizing talent. Our equity ownership requirements continue to be consistent with market best practices. To continue to lead by example, our CEO is one of our largest individual shareholders, holding an equity interest worth approximately 38 times his base salary, far exceeding our significant equity ownership requirement and demonstrating his strong commitment and belief in the business and prospects of the Corporation. In addition, ECN Capital's Compensation and Corporate Governance Committee deployed a rigorous self-evaluation process to assess performance and determine compensation. We believe that this approach has enabled us to align our performance targets and compensation with our strategy and shareholders' interests in the common goal of success and improved shareholder value.

***Return of Capital and Confidence in ECN Capital's Fundamental Value.*** In 2018, ECN Capital successfully completed a C$115 million substantial issuer bid to repurchase common shares and launched a subsequent C$265 million substantial issuer bid to repurchase common shares which was successfully completed in mid-January 2019. These transactions, together with the Corporation's normal course issuer bid, resulted in the repurchase of over 140 million of the Corporation's common shares in 2018, representing approximately 40% of our outstanding common shares. We believe these repurchase transactions demonstrate our confidence in the strength of our business, our strong financial position, and ECN Capital's fundamental intrinsic value. In the view of the Board and management, the recent trading price of our common shares is not fully reflective of the value of our business and future prospects and therefore, the repurchase of common shares under these transactions represents an attractive investment and an equitable and efficient means of providing value and returning capital to shareholders. In addition, in connection with release of our results for FY2018, ECN Capital announced that the Board had declared

a 100% increase in its quarterly dividend to $0.02 per common share. We believe this is a testament to our commitment to create value for our shareholders and a demonstration of confidence in the business going forward.

***"Say-on-Pay" Advisory Vote.*** We believe that shareholder engagement and strong governance is key to a partnership with our shareholders and we structure executive compensation to establish a strong link between performance and compensation. As a result, we continue to provide our shareholders with an annual "say-on-pay" advisory vote in respect of our approach to executive compensation. Although the say-on-pay vote is advisory only we believe the vote is important as it allows our shareholders to express their views and the vote will influence how the C&CG Committee considers executive compensation matters in the future.

Following this letter is the formal notice of the Meeting and management information circular. The management information circular provides important information about the matters to be voted on at the Meeting.

As a holder of our common shares, you have the right to vote your shares on the matters that are to be considered at the meeting. Please take the time to consider the information in this circular. It is important that you exercise your vote, either in person at the meeting, or by Internet, telephone or completing and sending in your proxy.

**Shareholders should read the circular carefully and consult with their advisors before casting their vote.**

Thank you for your continued support. We look forward to welcoming you at the meeting.

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| **William Lovatt** | **Steven Hudson** |
| ***Chairman of the Board*** | ***Chief Executive Officer*** |

February 27, 2019

**ECN CAPITAL CORP.**

**Notice of Annual Meeting of Shareholders**
**March 26, 2019**

Notice is hereby given that the annual meeting of the holders of common shares of ECN CAPITAL CORP. ("ECN Capital" or the "Corporation") will be held at the offices of Blake, Cassels and Graydon LLP, 199 Bay Street, Suite 4000, Commerce Court West, Toronto, Ontario, M5L 1A9, Canada on March 26, 2019 at 8:30 a.m. (Toronto time) (the "Meeting") for the following purposes:

1. to receive the Corporation's audited annual consolidated financial statements as at and for the financial year ended December 31, 2018 and the auditors' report thereon;

2. to elect the directors of the Corporation;

3. to re-appoint auditors and to authorize the board of directors of the Corporation to fix their remuneration;

4. to consider and, if deemed advisable, approve the non-binding advisory resolution on the Corporation's approach to executive compensation;

5. to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution (the "Option Plan Resolution") to authorize and re-approve the share option plan of the Corporation, as amended by the proposed amendments thereto, as described in the accompanying Circular (as defined herein);

6. to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution (the "DSU Plan Resolution") to authorize and re-approve the deferred share unit plan of the Corporation, as described in the accompanying Circular;

7. to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution (the "Unit Plan Resolution") to authorize and re-approve the share unit plan of the Corporation, as described in the accompanying Circular; and

8. to transact such other business as may properly come before the Meeting or any adjournment or postponement thereof.

The specific details of the foregoing matters to be put before the Meeting are set forth in the Management Information Circular dated February 27, 2019 (the "Circular") accompanying this Notice of Meeting.

Shareholders are invited to attend the Meeting. The Circular includes important information about the items to be considered at the Meeting and how to exercise your vote. If you are unable to attend the Meeting in person, you may vote by proxy by following the instructions on the form of proxy or voting instruction form. If you have any questions regarding the forms, please contact your broker or intermediary or the Corporation's strategic shareholder advisor and proxy solicitation agent, Kingsdale Advisors, at 1-

888-518-6813 (toll free in North America), or at 416-867-2272 (collect outside North America), or by email at contactus@kingsdaleadvisors.com.

**Your proxy or voting instruction form must be received not later than March 22, 2019 at 8:30 a.m. (Toronto time), or in the case of any adjournment or postponement of the Meeting, not less than 48 hours, Saturdays, Sundays and holidays excepted, prior to the time of the adjournment or postponement.**

DATED the 27th day of February, 2019.

By Order of the Board of Directors

Loreto Grimaldi
Senior Vice President, General Counsel
and Corporate Secretary

**ECN CAPITAL CORP.**

**Management Information Circular for Annual Meeting of Shareholders**
**March 26, 2019**

## PROXIES

### Solicitation of Proxies

**This Management Information Circular (the "Circular") is furnished in connection with the solicitation, by or on behalf of the management of ECN Capital Corp. ("ECN Capital" or the "Corporation"), of proxies to be used at the Corporation's annual meeting of the holders of common shares of the Corporation (the "Common Shares") to be held on March 26, 2019 (the "Meeting") or at any adjournment or postponement thereof.** It is expected that the solicitation will be primarily by mail, but proxies may also be solicited personally, by advertisement or by telephone, by directors, officers or employees of the Corporation without special compensation, or by the Corporation's transfer agent, Computershare Investor Services Inc. ("Computershare") at nominal cost. The Corporation has also retained Kingsdale Advisors as its strategic shareholder advisor and proxy solicitation agent and will pay, in addition to certain out-of-pocket expenses, fees of up to CAD$30,000 for its proxy solicitation services. The cost of solicitation will be borne by the Corporation.

### Appointment of Proxyholder

The persons designated by management of the Corporation in the form of proxy are directors or officers of the Corporation. **Each shareholder has the right to appoint as proxyholder a person or company (who need not be a shareholder of the Corporation) other than the persons designated by management of the Corporation in the form of proxy to attend and act on the shareholder's behalf at the Meeting or at any adjournment or postponement thereof.** Such right may be exercised by inserting the name of the person or company in the blank space provided in the form of proxy or by completing another form of proxy.

In the case of *registered shareholders*, the completed, dated and signed form of proxy should be sent in the envelope provided or otherwise to the Senior Vice President, General Counsel and Corporate Secretary of the Corporation c/o Computershare Investor Services Inc., 100 University Avenue, 8th Floor, North Tower, Toronto, Ontario, M5J 2Y1, fax number 1 (888) 453-0330 or to the Senior Vice President, General Counsel and Corporate Secretary of the Corporation at the Corporation's registered office, which is located at 181 Bay Street, Suite 2830, Toronto, Ontario, M5J 2T3, fax number 1 (888) 772-8129. In the case of *non-registered shareholders* who receive these materials through their broker or other intermediary, the shareholder should complete and send the form of proxy in accordance with the instructions provided by their broker or other intermediary. **To be effective, a proxy must be received by Computershare Investor Services Inc. or the Senior Vice President, General Counsel and Corporate Secretary of the Corporation not later than March 22, 2019 at 8:30 a.m. (Toronto time) (unless such proxy submission deadline is waived by the Board of Directors of the Corporation (the "Board")), or in the case of any adjournment or postponement of the Meeting, not less than 48 hours, Saturdays, Sundays and holidays excepted, prior to the time of the adjournment or postponement. The time limit for deposit of proxies may be waived or extended by the Chair of the Meeting at his or her discretion without notice.**

**Revocation of Proxy**

A shareholder who has given a proxy may revoke it by depositing an instrument in writing signed by the shareholder or by the shareholder's attorney, who is authorized in writing, or by transmitting, by telephonic or electronic means, a revocation signed by electronic signature by the shareholder or by the shareholder's attorney, who is authorized in writing, to or at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or in the case of any adjournment or postponement of the Meeting, the last business day preceding the day of the adjournment or postponement, or with the Chair of the Meeting on the day of, and prior to the start of, the Meeting or any adjournment or postponement thereof. A shareholder may also revoke a proxy in any other manner permitted by law.

**Voting of Proxies**

On any ballot that may be called for, the Common Shares represented by a properly executed proxy given in favour of the persons designated by management of the Corporation in the form of proxy will be voted or withheld from voting in accordance with the instructions given on the form of proxy, and if the shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly.

The form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the accompanying Notice of Meeting and with respect to other matters which may properly come before the Meeting or any adjournment or postponement thereof. As of the date of this Circular, management of the Corporation is not aware of any such amendment, variation or other matter to come before the Meeting. However, if any amendments or variations to matters identified in the accompanying Notice of Meeting or any other matters which are not now known to management should properly come before the Meeting or any adjournment or postponement thereof, the Common Shares represented by properly executed proxies given in favour of the persons designated by management of the Corporation in the form of proxy will be voted on such matters pursuant to the discretionary authority provided for in the form or proxy.

**Registered Shareholders**

A registered holder of Common Shares ("Registered Shareholder") may vote in any of the ways set out below.

**On the Internet**: A Registered Shareholder can go to the website at www.investorvote.com and follow the instructions on the screen. The Registered Shareholder's voting instructions are then conveyed electronically over the internet. The Registered Shareholder will need the 15-digit Control Number found on his or her proxy.

**By Telephone**: A Registered Shareholder can call the number located on such Registered Shareholder's proxy. The Registered Shareholder will need the 15-digit Control Number found on his or her proxy.

**By Mail**: A Registered Shareholder can complete the proxy as directed and return it in the business reply envelope provided to Computershare Trust Company of Canada, Proxy Department, 135 West Beaver Creek, P.O. Box 300, Richmond Hill, Ontario, L4B 4R5.

**By Fax**: A Registered Shareholder may submit his or her proxy by facsimile by completing, dating and signing the enclosed form of proxy and returning it by facsimile to Computershare Investor Services Inc. at 416-263-9524 or toll free (within North America) at 1-866-249-7775.

**At the Meeting**: If a Registered Shareholder plans to vote in person, such Registered Shareholder does not need to do anything except attend the Meeting. A Registered Shareholder should register with the representatives of Computershare upon arrival at the Meeting.

**Non-Registered Shareholders**

**Only Registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders of the Corporation are "non-registered" shareholders because the Common Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Common Shares.**

A holder of Common Shares is a non-registered (or beneficial) shareholder (a "Non-Registered Holder") if the shareholder's Common Shares are registered either: (a) in the name of an intermediary (an "Intermediary") that the Non-Registered Holder deals with in respect of the Common Shares, such as, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs, RDSPs, TFSAs and similar plans; or (b) in the name of a clearing agency (such as CDS & Co.) of which the Intermediary is a participant.

A Non-Registered Holder may vote in any of the ways set out below.

**On the Internet**: A Non-Registered Holder can go to the website at www.proxyvote.com and follow the instructions on the screen. The Non-Registered Holder's voting instructions are then conveyed electronically over the internet. The Non-Registered Holder will need the 16-digit Control Number found on his or her voting instruction form.

**By Telephone**: A Non-Registered Holder can call the number located on such Non-Registered Holder's voting instruction form. The Non-Registered Holder will need the 16-digit Control Number found on his or her voting instruction form.

**By Mail**: A Non-Registered Holder can complete the voting instruction form as directed and return it in the business reply envelope provided by the Non-Registered Holder's nominee's cut-off date and time.

ECN Capital may utilize the Broadridge QuickVote™ service to assist beneficial shareholders with voting their ECN Capital shares over the telephone. Alternatively, Kingsdale Advisors may contact such beneficial shareholders to assist them with voting their Common Shares directly over the phone.

If you have any questions or require assistance, please contact the Corporation's strategic shareholder advisor and proxy solicitation agent, Kingsdale Advisors, at 1-888-518-6813 (toll free in North America), or at 416-867-2272 (collect outside North America), or by email at contactus@kingsdaleadvisors.com.

**Appointment of Proxy**

Non-Registered Holders who have not objected to their Intermediary disclosing certain ownership information about them to the Corporation are referred to as non-objecting beneficial owners ("NOBOs"). Those Non-Registered Holders who have objected to their Intermediary disclosing ownership information about them to the Corporation are referred to as objecting beneficial owners ("OBOs"). In accordance with

the requirements of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("NI 54-101"), the Corporation has elected to send copies of the Proxy-Related Materials, including a form of proxy or voting instruction form ("VIF", collectively, the "meeting materials") directly to the NOBOs and indirectly through Intermediaries for onward distribution to the OBOs. ECN Capital will also pay the fees and costs of Intermediaries for their services in delivering the meeting materials to OBOs in accordance with NI 54-101. Intermediaries must forward the meeting materials to each Non-Registered Holder (unless the Non-Registered Holder has waived the right to receive such materials), and often use a service company (such as Broadridge Investor Communication Solutions, Canada), to permit the Non-Registered Holder to direct the voting of the Common Shares held by the Intermediary on behalf of the Non-Registered Holder.

Generally, Non-Registered Holders who have not waived the right to receive meeting materials will either:

(a) be given a proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature) which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Holder but which is otherwise uncompleted. This form of proxy need not be signed by the Non-Registered Holder. In this case, the Non-Registered Holder who wishes to submit a proxy should otherwise properly complete the form of proxy and deposit it with Computershare, as described above under "Registered Shareholders"; or

(b) more typically, be given a VIF which must be completed and signed by the Non-Registered Holder in accordance with the directions on the VIF. Non-Registered Holders should submit VIFs to Intermediaries in sufficient time to ensure that their votes are received from the Intermediaries by the Corporation.

The purpose of these procedures is to permit Non-Registered Holders to direct the voting of the Common Shares they beneficially own. Should a Non-Registered Holder who receives either a proxy or a VIF wish to attend and vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should strike out the names of the persons named in the form of proxy and insert their own (or such other person's) name in the blank space provided in the form of proxy or, in the case of a VIF, follow the corresponding instructions on the VIF, to appoint themselves as proxyholders, and deposit the form of proxy or submit the VIF in the appropriate manner noted above. Non-Registered Holders should carefully follow the instructions on the form of proxy or VIF that they receive from their Intermediary in order to vote the Common Shares that are held through that Intermediary. **Therefore, Non-Registered Holders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate persons, as required.**

These meeting materials are being sent to both registered and non-registered owners of the Common Shares. If you are a Non-Registered Holder, and the Corporation or its agent has sent these meeting materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf. By choosing to send these meeting materials to you directly, the Corporation (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these meeting materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

The Corporation is not sending the meeting materials to Registered Shareholders or Non-Registered Holders using notice-and-access delivery mechanisms defined under NI 54-101 and National Instrument 51-102 – *Continuous Disclosure Obligations* ("NI 51-102").

If you have any questions about the information contained in this Circular or require assistance, please contact the Corporation's strategic shareholder advisor and proxy solicitation agent, Kingsdale Advisors, at 1-888-518-6813 (toll free in North America), or at 416-867-2272 (collect outside North America), or by email at contactus@kingsdaleadvisors.com.

## VOTING SHARES

### Voting Shares

As at February 22, 2019, the Corporation had 237,064,771 Common Shares outstanding, each carrying the right to one vote per share. A simple majority of the votes cast at the Meeting, whether in person, by proxy or otherwise, will constitute approval of each matter to be acted upon at the Meeting.

### Record Date

The Board has fixed February 22, 2019 as the record date for the purpose of determining holders of Common Shares entitled to receive notice of and to vote at the Meeting. Any holder of Common Shares of record at the close of business on the record date is entitled to vote the Common Shares registered in such shareholder's name at that date on each matter to be acted upon at the Meeting.

### Principal Shareholders

To the knowledge of the directors and executive officers of the Corporation, as at February 22, 2019, no person beneficially owned, directly or indirectly, or exercised control or direction over, 10% or more of the voting rights attached to the outstanding Common Shares.

## MATTERS TO BE ACTED UPON AT MEETING

### 1. Financial Statements

No vote with respect to the Corporation's audited annual consolidated financial statements as at and for the financial year ended December 31, 2018 and the auditors' report thereon is required or proposed to be taken.

### 2. Election of Directors

The Corporation's articles provide for a minimum of 1 director and a maximum of 14 directors. The Board has fixed the number of directors to be elected at the Meeting at seven (7). Under the by-laws of the Corporation, directors of the Corporation are elected annually. Each director will hold office until the next annual meeting or until the successor of such director is duly elected or appointed, unless such office is earlier vacated in accordance with the by-laws.

**In the absence of a contrary instruction, the persons designated by management of the Corporation in the form of proxy intend to vote FOR the election as directors of each of the proposed nominees whose names are set forth below.** Management does not contemplate that any of the proposed nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, the Common Shares represented by properly executed proxies given in favour of such nominee(s) may be voted by the persons designated by management of the Corporation in the form of proxy, in their discretion, in favour of another nominee.

The director nominee profiles set out in this Circular provide detailed information about each nominee for election to the Board, including their expertise, committee memberships, meeting attendance, public board memberships and voting results for last year's director elections, the number of securities beneficially owned, directly or indirectly, or over which control or direction was exercised, by such person or the person's associates or affiliates as of December 31, 2018, and total compensation received in the 2018 financial year, as applicable. The information as to securities beneficially owned or over which control or direction is exercised, not being within the knowledge of the Corporation, has been furnished by the respective proposed nominees individually.

### 3. Re-appointment of Auditors

Ernst & Young LLP are the current auditors of the Corporation. Ernst & Young LLP were first appointed as auditors of the Corporation on October 3, 2016. At the Meeting, the holders of Common Shares will be requested to re-appoint Ernst & Young LLP as auditors of the Corporation to hold office until the next annual meeting of shareholders or until a successor is appointed, and to authorize the Board to fix the auditors' remuneration.

**In the absence of a contrary instruction, the persons designated by management of the Corporation in the form of proxy intend to vote FOR the re-appointment of Ernst & Young LLP as auditors of the Corporation to hold office until the next annual meeting of shareholders or until a successor is appointed and the authorization of the Board to fix the remuneration of the auditors.**

### 4. Advisory Vote on the Corporation's Approach to Executive Compensation

The governing objective of the Corporation's executive compensation program is to align executive interests with shareholders' interests. This objective is reflected in the Corporation's philosophy of pay for performance, based on competitive market practice, without encouraging excessive or inappropriate risk taking. You can find details of the Corporation's executive compensation program in this Circular, including the Compensation Discussion and Analysis starting on page 32.

The Corporation believes that its approach to executive compensation is in the shareholders' best interests, because executives and shareholders share the common goal of success and improved shareholder value.

At the Meeting, the holders of Common Shares will be requested to vote on the way the Corporation compensates its executives ("Say-on-Pay"). The Say-on-Pay vote is advisory only and non-binding on the Corporation and the Board. However, it will influence how the Compensation and Corporate Governance Committee ("C&CG Committee") considers executive compensation matters in the future. The ordinary resolution, which needs a majority vote to be approved, is:

> "RESOLVED, on an advisory basis and not to diminish the role and responsibilities of the Board of Directors, that the shareholders accept the approach to executive compensation disclosed in the management information circular delivered in advance of the 2019 annual meeting of shareholders of the Corporation."

**In the absence of a contrary instruction, the persons designated by management of the Corporation in the form of proxy intend to vote FOR this advisory resolution.**

### 5. Re-Approval of Share Option Plan

In accordance with the requirements of the Toronto Stock Exchange (the "TSX"), every three years after institution, all unallocated options, rights or other entitlements under a "security based compensation arrangement" which does not have a fixed maximum aggregate of securities issuable must obtain approval from both a majority of the issuer's board of directors and a majority of the issuer's security holders (the "Equity Plan Re-approvals"). The ECN Capital stock option plan dated July 21, 2016 (the "Option Plan") requires the Equity Plan Re-approvals as it is a "rolling" option plan whereby the maximum number of shares issuable upon the exercise of all options granted under the Option Plan ("Options") (and any other security based compensation arrangements of the Corporation) shall not exceed 10% of the issued and outstanding Common Shares at the time of any grant of Options. As a result, should the Corporation issue additional Common Shares in the future, the number of Common Shares issuable under the Option Plan will increase accordingly. The Option Plan allows the number of Common Shares covered by the Options which have been exercised to again be available for subsequent grants under the Option Plan. Any Option that has been granted under the Option Plan and that is subsequently cancelled or terminated for any reason without having been exercised will also again be available for subsequent grants under the Option Plan.

The three-year term prescribed by the TSX will expire on September 20, 2019. Although no Options are currently available for allocation as of February 27, 2019 (as described below in further detail under "Additional Disclosure – Longer-Term Incentive Plan Descriptions – Option Plan"), a resolution will be placed before the shareholders for their approval at the Meeting, effective for three years from the date of the Meeting, in respect of any unallocated Options under the Option Plan, if and as they become available for allocation during such effective period. If approval is not obtained at the Meeting, any unallocated Options as of March 26, 2019 and Options which are outstanding as of March 26, 2019 and are subsequently cancelled, terminated or exercised will not be available for a new grant of Options. Previously allocated Options will continue to be unaffected by the outcome of the vote on this resolution.

In accordance with the rules and policies of the TSX and in accordance with the provisions of the Option Plan, shareholder approval is required for certain amendments to the Option Plan. On February 27, 2019, the Board approved, subject to the approval of the TSX and shareholders, amendments to the Option Plan to codify that non-employee directors shall not be entitled to participate in the Option Plan (the "Plan Amendments"), which is consistent with the Corporation's practice of discontinuing the granting of Options to non-employee directors under the Option Plan since October 3, 2016. A copy of the Option Plan, as so amended, is attached hereto as Exhibit A. The following is a summary of the Plan Amendments.

*Amendment to Non-Employee Director Participation*

The Corporation has proposed, subject to approval of the TSX and approval of shareholders, an amendment to the Option Plan to restrict the grant of awards to non-employee directors pursuant to the Option Plan. More specifically, Section 2.1(c) of the Option Plan would be amended to prohibit the grant of options to non-employee directors. In line with best practices for security based compensation arrangements, effective as of October 3, 2016, the granting of Options to non-employee directors under the Option Plan was discontinued. This amendment would codify this practice in the Option Plan such that shareholder approval would be required to allow non-employee directors to participate in the Option Plan in the future. See terms of the Option Plan, as amended, attached hereto as Exhibit A.

The TSX has conditionally approved the Plan Amendments and all unallocated Options under the Option Plan, subject to approval of the Option Plan Resolution by a majority of votes cast on the resolution at the Meeting and satisfaction of its other usual conditions. As a result, the Corporation's shareholders are being asked at the Meeting to approve the Option Plan Resolution.

The Board believes that re-approval of the Option Plan, as amended, is in the Corporation's and the shareholders' best interests, as such changes will ensure that such plan reflects current best practices for security based compensation arrangements. The Option Plan and the other long-term incentive plans of the Corporation are an integral part of the Corporation's compensation programs, which are designed to align and incentivize management in a manner aligned with shareholder interests. The Board unanimously recommends that shareholders vote FOR the approval of the Option Plan Resolution.

At this Meeting, shareholders will be asked to consider and, if thought advisable, approve the following Option Plan Resolution:

> "RESOLVED, as an ordinary resolution of the shareholders (the "Shareholders") of ECN Capital Corp. (the "Corporation") that:
>
> (1) the Plan Amendments, as defined in the Corporation's Management Information Circular dated February 27, 2019 (the "Circular"), all as more particularly described under the heading "Re-Approval of Share Option Plan" in the Circular, be and are hereby approved;
>
> (2) the share option plan (the "Option Plan") of the Corporation, as amended by the Plan Amendments, substantially in the form set out in Exhibit A of the Circular is re-approved as the share option plan of the Corporation and the Corporation has the ability to continue granting options under and in accordance with the terms and conditions of the Option Plan until March 26, 2022, which is the date that is three (3) years from the date of the meeting of Shareholders at which re-approval by the Shareholders of the Option Plan is being sought (the "Effective Period");
>
> (3) the unallocated options under the Option Plan during the Effective Period be and are hereby approved; and
>
> (4) any director or officer of the Corporation be and is hereby authorized and directed, on behalf of the Corporation, to execute and deliver all such documents and to do all such other acts or things as he or she may determine to be necessary or advisable to give effect of this resolution."

Approval of the Option Plan Resolution will require that it be passed by a majority of the votes cast by shareholders thereon in person and by proxy.

**In the absence of a contrary instruction, the persons designated by management of the Corporation in the enclosed form of proxy intend to vote FOR the Option Plan Resolution.**

### 6. Re-Approval of Deferred Share Unit Plan

In accordance with the requirements of the TSX, the ECN Capital Deferred Share Unit Plan dated July 21, 2016 (the "DSU Plan") requires the Equity Plan Re-approvals as it is a "rolling" deferred share unit plan whereby the maximum number of shares issuable upon the settlement of all deferred share units ("DSUs") that may be settled in Common Shares granted under the DSU Plan (and any other security based compensation arrangements of the Corporation) shall not exceed 10% of the issued and outstanding Common Shares at the time of a grant of DSUs. As a result, should the Corporation issue additional Common Shares in the future, the number of Common Shares issuable under the DSU Plan will increase accordingly. The DSU Plan allows the number of Common Shares covered by the DSUs that have been settled in Common Shares to again be available for subsequent grants under the DSU Plan. Any DSU that

has been granted under the DSU Plan and that is subsequently cancelled or terminated for any reason without having been settled will also again be available for subsequent grants under the DSU Plan.

The three-year term prescribed by the TSX will expire on September 20, 2019. Although no DSUs that may be settled in Common Shares are currently available for allocation as of February 27, 2019 (as described below in further detail under "Additional Disclosure – Longer-Term Incentive Plan Descriptions – DSU Plan"), a resolution will be placed before the shareholders for their approval at the Meeting, effective for three years from the date of the Meeting, in relation to any unallocated DSUs under the DSU Plan, if and as they become available for allocation during such effective period. In accordance with the requirements of the TSX, on February 27, 2019, the Board re-approved the DSU Plan. If shareholder approval is not obtained at the Meeting, any unallocated DSUs as of March 26, 2019 and DSUs which are outstanding as of March 26, 2019 and are subsequently cancelled, terminated or settled will not be available for a new grant of DSUs. Previously allocated DSUs will continue to be unaffected by the outcome of the vote on the DSU Plan Resolution.

The TSX has conditionally approved the all unallocated entitlements under the DSU Plan, subject to approval of the DSU Plan Resolution by a majority of votes cast on the resolution at the Meeting and satisfaction of its other usual conditions. As a result, the Corporation's shareholders are being asked at the Meeting to approve the DSU Plan Resolution.

The Board believes that re-approval of the DSU Plan is in the Corporation's and the shareholders' best interests. Effective as of October 3, 2016, the DSU Plan is the only security based compensation plan of the Corporation available for participation by non-employee directors (see "Directors - 2018 Directors' Compensation" and "Additional Disclosure – Longer-Term Incentive Plan Descriptions"). The Board unanimously recommends that shareholders vote FOR the approval of the DSU Plan Resolution.

At this Meeting, shareholders will be asked to consider and, if thought advisable, approve the following DSU Plan Resolution:

> "RESOLVED, as an ordinary resolution of the shareholders (the "Shareholders") of ECN Capital Corp. (the "Corporation") that:
>
> (1) the deferred share unit plan (the "DSU Plan") of the Corporation, substantially in the form set out in Exhibit B of the Corporation's Management Information Circular dated February 27, 2019 is re-approved as the deferred share unit plan of the Corporation and the Corporation has the ability to continue granting deferred share units under and in accordance with the terms and conditions of the DSU Plan until March 26, 2022, which is the date that is three (3) years from the date of the meeting of Shareholders at which re-approval by the Shareholders of the DSU Plan is being sought (the "Effective Period");
>
> (2) the unallocated deferred share units under the DSU Plan during the Effective Period be and are hereby approved; and
>
> (3) any director or officer of the Corporation be and is hereby authorized and directed, on behalf of the Corporation, to execute and deliver all such documents and to do all such other acts or things as he or she may determine to be necessary or advisable to give effect of this resolution."

Approval of the DSU Plan Resolution will require that it be passed by a majority of the votes cast by shareholders thereon in person and by proxy.

**In the absence of a contrary instruction, the persons designated by management of the Corporation in the enclosed form of proxy intend to vote FOR the DSU Plan Resolution.**

### 7. Re-Approval of Share Unit Plan

In accordance with the requirements of the TSX, the ECN Capital Share Unit Plan dated July 21, 2016 (the "Unit Plan") requires the Equity Plan Re-approvals as it is a "rolling" share unit plan whereby the maximum number of shares issuable upon the settlement of all restricted share units ("RSUs") and performance share units ("PSUs") that may be settled in Common Shares granted under the Unit Plan (and any other security based compensation arrangements of the Corporation) shall not exceed 10% of the issued and outstanding Common Shares at the time of a grant of PSUs or RSUs. As a result, should the Corporation issue additional Common Shares in the future, the number of Common Shares issuable under the Unit Plan will increase accordingly. The Unit Plan allows the number of Common Shares covered by the PSUs and RSUs that have been settled in Common Shares to again be available for subsequent grants under the Unit Plan. Any the PSU or RSU that has been granted under the Unit Plan and that is subsequently cancelled or terminated for any reason without having been settled will also again be available for subsequent grants under the Unit Plan.

The three-year term prescribed by the TSX will expire on September 20, 2019. Although no PSUs or RSUs that may be settled in Common Shares are currently available for allocation as of February 27, 2019 (as described below in further detail under "Additional Disclosure – Longer-Term Incentive Plan Descriptions – Unit Plan"), a resolution will be placed before the shareholders for their approval at the Meeting, effective for three years from the date of the Meeting, in relation to any unallocated PSUs and RSUs under the Unit Plan, if and as they become available for allocation during such effective period. In accordance with the requirements of the TSX, on February 27, 2019, the Board re-approved the Unit Plan. If shareholder approval is not obtained at the Meeting, any unallocated PSUs or RSUs as of March 26, 2019 and PSUs and RSUs which are outstanding as of March 26, 2019 and are subsequently cancelled, terminated or settled will not be available for a new grant of PSUs or RSUs. Previously allocated PSUs and RSUs will continue to be unaffected by the outcome of the vote on the Unit Plan Resolution.

The TSX has conditionally approved the all unallocated entitlements under the Unit Plan, subject to approval of the Unit Plan Resolution by a majority of votes cast on the resolution at the Meeting and satisfaction of its other usual conditions. As a result, the Corporation's shareholders are being asked at the Meeting to approve the Unit Plan Resolution.

The Board believes that re-approval of the Unit Plan is in the Corporation's and the shareholders' best interests and unanimously recommends that shareholders vote FOR the approval of the Unit Plan Resolution.

At this Meeting, shareholders will be asked to consider and, if thought advisable, approve the following Unit Plan Resolution:

"RESOLVED, as an ordinary resolution of the shareholders (the "Shareholders") of ECN Capital Corp. (the "Corporation") that:

(1) the share unit plan (the "Unit Plan") of the Corporation, substantially in the form set out in Exhibit C of the Corporation's Management Information Circular dated February 27, 2019 is re-approved as the share unit plan of the Corporation and the Corporation has the ability to continue granting restricted share units and performance share units under and in accordance with the terms and conditions of the Unit Plan until March 26, 2022, which is

the date that is three (3) years from the date of the meeting of Shareholders at which re-approval by the Shareholders of the Unit Plan is being sought (the "Effective Period");

(2) the unallocated restricted share units and performance share units under the Unit Plan during the Effective Period be and are hereby approved; and

(3) any director or officer of the Corporation be and is hereby authorized and directed, on behalf of the Corporation, to execute and deliver all such documents and to do all such other acts or things as he or she may determine to be necessary or advisable to give effect of this resolution."

Approval of the Unit Plan Resolution will require that it be passed by a majority of the votes cast by shareholders thereon in person and by proxy.

**In the absence of a contrary instruction, the persons designated by management of the Corporation in the enclosed form of proxy intend to vote FOR the Unit Plan Resolution.**

## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS AND INFORMATION

This Circular includes forward-looking statements and forward-looking information regarding ECN Capital and its business. Such statements and information are based on the current expectations and views of future events of 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. The forward-looking events and circumstances discussed in this Circular may not occur and could differ materially as a result of known and unknown risk factors and uncertainties affecting ECN Capital, including, the expected effects related thereto and risks regarding the equipment finance industry, economic factors and many other factors beyond the control of 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. Except as required by applicable securities laws, forward-looking statements speak only as of the date on which they are made and ECN Capital undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

## CHANGE IN FUNCTIONAL AND PRESENTATION CURRENCY

Effective January 1, 2018, ECN Capital changed its presentation and functional currency to U.S. dollars from Canadian dollars. These changes were made to better align the Corporation's reported results with its current business activities and operating environment and coincided with the wind down and sale of its Canadian C&V Finance business in January 2018. **Accordingly, all dollar amounts in this Circular are expressed in U.S. dollars unless otherwise indicated.**

# DIRECTORS

## Nominees for Election to the Board of Directors

### William Lovatt – Chairman of the Board and Independent Director

Winnipeg, Manitoba, Canada | Director since 2016 | Age 65

Mr. Lovatt is the Chairman of ECN Capital's Board. Mr. Lovatt serves as a member of the Audit Committee, the Compensation and Corporate Governance Committee ("C&CG Committee") and the Credit and Risk Committee of the Board. Mr. Lovatt previously served as Chairman of the board of directors for Element Fleet Management Corp. ("EFN") and continued as a director through 2018. He brings with him 40 years of investment and senior management expertise. Mr. Lovatt is one of Canada's most respected financial services executives having served as Executive Vice President and Chief Financial Officer of Great-West Lifeco Inc., Great-West Life Assurance Company, London Life Insurance Company and Canada Life Assurance Company. Mr. Lovatt joined Great West-Life in 1979 serving in various positions in the insurer's investments department prior to being appointed Chief Financial Officer. Mr. Lovatt served as a member of the Accounting Standards Oversight Council from 2000 to 2008 and in 2009, following the global financial crisis, was asked to serve the Canadian Government on the Department of Finance's Advisory Committee on Liquidity in the Financial Markets. Mr. Lovatt received his Bachelor of Commerce (Hons.) degree from the University of Saskatchewan in 1975, his Chartered Financial Analyst designation in 1983 and became a Fellow Certified General Accountant in 2003.

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| Board/Committee Memberships/2018 Attendance: | Board (4/4), Audit (4/4), C&R (4/4), C&CGC (4/4) |
| Public Board Memberships in last five (5) years: | EFN |
| 2018 Compensation: | $535,000 (100% in security based compensation) |

**Securities held at fiscal year end**

| Fiscal Year | Shares (#) | DSUs (#) | Options (#) | Total Value of Securities | Multiple of Annual Retainer | Meets or Exceeds Share Ownership Requirements |
|---|---|---|---|---|---|---|
| 2018 | 700,000 | 467,726 | 100,000 | $3,009,206(1) | 6.3 | Yes |

(1) Represents the value of Common Shares and DSUs and the intrinsic value of all Options (whether vested or unvested) based on the closing price of the Common Shares on the TSX on December 31, 2018.

### Steven Hudson – Director and Chief Executive Officer

Palm Beach, Florida, U.S. | Director since 2016 | Age 60

Mr. Hudson is the Chief Executive Officer of ECN Capital and serves as a member of the Board as well as the Credit and Risk Committee of the Board. Mr. Hudson previously served as a member of EFN's board, and as its chief executive officer from March 2011 to October 2016. Mr. Hudson is also the founder and principal of Cameron Capital Corporation, a private investment firm established more than 20 years ago. An entrepreneur, investor and operator of successful businesses, Mr. Hudson has a distinguished track record across several business sectors. In 1984, Mr. Hudson founded Newcourt Credit Group Inc. and assumed the position of CEO. Under his leadership, Newcourt grew to become a worldwide leader in equipment and asset finance with owned and managed assets exceeding $35 billion before the company was acquired in 1999. Mr. Hudson has been an active director on numerous boards of both public and private companies across several business sectors and an active community leader and philanthropist. Mr. Hudson received his Fellowship with the Institute of Chartered Accountants of Ontario in 2000 and graduated from York University in 1981 with an Honours Bachelor of Business Administration degree. In 1996, Mr. Hudson was named one of Canada's Top 40 Under 40. In 2016, Mr. Hudson was named Ernst & Young's Entrepreneur of the Year.

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| Board/Committee Memberships/2018 Attendance: | Board (4/4), C&R (4/4) |
| Public Board Memberships in last five (5) years: | EFN |
| 2018 Compensation: | Board compensation is not paid to executive officers. See "Summary Compensation Table" for Mr. Hudson's compensation as CEO of ECN Capital. |

**Steven Hudson – Director and Chief Executive Officer**
Palm Beach, Florida, U.S. | Director since 2016 | Age 60

**Securities held at fiscal year end**

| Fiscal Year | Shares (#) | DSUs (#) | PSUs (#) | RSUs (#) | Options (#) | Total Value of Securities | Multiple of Base Salary |
|---|---|---|---|---|---|---|---|
| 2018 | 11,893,766 | Nil | 514,154 | 357,051 | 7,349,946 | $36,379,588(1) | 37.8(2) |

(1) Represents the value of Common Shares, DSUs, PSUs and RSUs and the intrinsic value of all Options (whether vested or unvested) based on the closing price of the Common Shares on the TSX on December 31, 2018 and converted to U.S. dollars based on a 1.364 USD/CAD exchange rate on December 31, 2018.
(2) As Mr. Hudson is both a director and Chief Executive Officer of ECN Capital, the table above provides his equity holdings as a multiple of his base salary in order to provide a more meaningful measure to readers.

**Paul Stoyan – Independent Director**
Toronto, Ontario, Canada | Director since 2016 | Age 60

Mr. Stoyan is the Chairman of Gardiner Roberts LLP, a Canadian law firm. He is Chairman of the C&CG Committee. Mr. Stoyan previously served as the Chairman of the C&CG Committee, member of the Audit Committee, and board member of EFN. Mr. Stoyan practices business law with a special emphasis on mergers and acquisitions, corporate finance and corporate governance. Mr. Stoyan has worked extensively with various companies in the technology sector and has assisted such companies in various cross-border transactions, in going public and in establishing and enforcing corporate governance regimes. Mr. Stoyan serves on the board of directors of Enghouse Systems Limited, a publicly-traded software company listed on the TSX and is also the Chairman of the board of directors of Axis Auto Finance Inc., a TSXV specialty finance company. He is a past director of the National Ballet School of Canada, and the Canadian Centre for Ethics and Corporate Policy. Mr. Stoyan is also Past Chair of the Business Law Section of the Ontario Bar Association. Mr. Stoyan has previously served as a director of Open Text Corporation, a publicly-traded software company listed on the NASDAQ and TSX. Mr. Stoyan holds a bachelor of laws from the University of Toronto and a bachelor of arts from the University of Toronto, where Mr. Stoyan was the Gold Medalist. Mr. Stoyan has earned the professional independent director designation (ICD.D) from the Institute of Corporate Directors and the University of Toronto's Rotman School of Management.

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| Board/Committee Memberships/2018 Attendance: | Board (4/4), C&CGC (4/4) |
| Public Board Memberships in last five (5) years: | Axis Auto Finance Inc. (2018-present), Enghouse Systems Limited (2011-present) and EFN (2010-2016) |
| 2018 Compensation: | $169,663(1) (38% in security based compensation) |

**Securities held at fiscal year end**

| Fiscal Year | Shares (#) | DSUs (#) | Options (#) | Total Value of Securities | Multiple of Annual Retainer | Meets or Exceeds Share Ownership Requirements |
|---|---|---|---|---|---|---|
| 2018 | 578,149 | 90,727 | 112,339 | $1,759,928(2) | 13.8 | Yes |

(1) Converted to U.S. dollars based on a 1.290, 1.280, 1.310 and 1.330 USD/CAD exchange rate on March 2, 2018, May 14, 2018, August 13, 2018 and November 14, 2018, respectively (the dates of payment of director fees).
(2) Represents the value of Common Shares and DSUs and the intrinsic value of all Options (whether vested or unvested) based on the closing price of the Common Shares on the TSX on December 31, 2018 and converted to U.S. dollars based on a 1.364 USD/CAD exchange rate on December 31, 2018.

**Pierre Lortie – Independent Director**
St-Lambert, Québec, Canada | Director since 2016 | Age 72

Mr. Lortie is Senior Business Advisor at Dentons Canada LLP, a major Canadian law firm. He is Chairman of the Credit and Risk Committee of the Board. Previously, Mr. Lortie served as a director of EFN from August 2011 to October 2016 and as director of Canam Group from 1989 to 2003 and from 2004 to 2017. Mr. Lortie served as President and Chief Operating Officer of Bombardier Transportation, Bombardier Capital, Bombardier International, and as President of Bombardier Aerospace, Regional Aircraft. He has also served as Chairman of Canada's Royal Commission on Electoral Reform and Party Financing. He has been Chairman of the Board, President and Chief Executive Officer of Provigo Inc., President and Chief Executive Officer of the Montréal Stock Exchange and a Senior Partner of Secor Inc. Mr. Lortie received a Master of Business Administration degree with honours from the University of Chicago, a license in applied economics from the Universite catholique de Louvain, Belgium, and a Bachelor's degree in applied sciences (engineering physics) from Universite Laval, Canada. He was awarded a Doctorate Honoris Causa in civil law from Bishop's University. He has earned the professional independent director designation (ICD.D) from the Institute of Corporate Directors and the McGill University Desautels Faculty of Management. Mr. Lortie is a Fellow of the Canadian Academy of Engineering and a member of the Order of Canada.

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| Board/Committee Memberships/2018 Attendance: | Board (4/4), C&R (4/4) |
| Public Board Memberships in last five (5) years: | EFN (2011-2016), Canam Group Inc. (2004-2017), Quest Rare Minerals Ltd. (2014-2017), Lamêlée Iron Ore Ltd. (2013-2016) and Tembec Inc. (2010-2014) |
| 2018 Compensation: | $154,287[1] (84% in security based compensation) |

**Securities held at fiscal year end**

| Fiscal Year | Shares (#) | DSUs (#) | Options (#) | Total Value of Securities | Multiple of Annual Retainer | Meets or Exceeds Share Ownership Requirements |
|---|---|---|---|---|---|---|
| 2018 | 230,877 | 124,693 | 280,449 | $1,241,777[2] | 9.7 | Yes |

(1) Converted to U.S. dollars based on a 1.290, 1.280, 1.310 and 1.330 USD/CAD exchange rate on March 2, 2018, May 14, 2018, August 13, 2018 and November 14, 2018, respectively (the dates of payment of director fees).
(2) Represents the value of Common Shares and DSUs and the intrinsic value of all Options (whether vested or unvested) based on the closing price of the Common Shares on the TSX on December 31, 2018 and converted to U.S. dollars based on a 1.364 USD/CAD exchange rate on December 31, 2018.

**David Morris – Independent Director**
Beaconsfield, Québec, Canada | Director since 2016 | Age 64

Mr. Morris retired as a senior audit partner at Deloitte LLP after serving over 41 years with the firm, and was appointed to ECN Capital's Board in October 2016. He is also a director of Laurentian Bank of Canada. Mr. Morris has extensive experience auditing global financial institutions and public companies. Mr. Morris has worked closely with audit committees on a number of special engagements including those relating to mergers and acquisitions, regulatory reporting, due diligence and accounting for complex transactions. Mr. Morris also has a strong background with U.S. Securities and Exchange Commission registrants, including internal controls over financial reporting. Mr. Morris has acted as an advisor to senior management and directors throughout his career. Mr. Morris is a graduate of McGill University.

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| Board/Committee Memberships/2018 Attendance: | Board (4/4), Audit (4/4) |
| Public Board Memberships in last five (5) years: | Laurentian Bank of Canada (2017-present) |
| 2018 Compensation: | $154,287[1] (100% in security based compensation) |

**Securities held at fiscal year end**

| Fiscal Year | Shares (#) | DSUs (#) | Options (#) | Total Value of Securities | Multiple of Annual Retainer | Meets or Exceeds Share Ownership Requirements |
|---|---|---|---|---|---|---|
| 2018 | 1,000 | 139,072 | 100,000 | $409,366[2] | 3.2 | Yes |

(1) Converted to U.S. dollars based on a 1.290, 1.280, 1.310 and 1.330 USD/CAD exchange rate on March 2, 2018, May 14, 2018, August 13, 2018 and November 14, 2018, respectively (the dates of payment of director fees).
(2) Represents the value of Common Shares and DSUs and the intrinsic value of all Options (whether vested or unvested) based on the closing price of the Common Shares on the TSX on December 31, 2018 and converted to U.S. dollars based on a 1.364 USD/CAD exchange rate on December 31, 2018.

**Donna Toth – Independent Director**
Toronto, Ontario, Canada | Director since 2017 | Age 59

Ms. Toth is also a Director, Chair of the Investment Committee and Member of the Executive and Finance Committees of the Children's Aid Foundation of Canada. Ms. Toth is a past Director and Member of the Audit, Governance, Nominating & Compensation and Special Committees of LOGiQ Asset Management Inc., which was sold in June 2018. Ms. Toth brings over 30 years of experience in the investment industry as both a Sales Professional and a Bank and Financial Services Analyst. She retired in 2016 from a 21 year career at Scotia Capital as Managing Director, Global Equity Sales. Ms. Toth was also a Director, Bank and Financial Services Analyst at Scotia Capital and held progressively senior Bank Analyst roles at Nesbitt Thomson, Levesque, Beaubien, Geoffrion, and Midland Doherty. She was top-ranked by Brendon Wood International as both a Sales Professional and Analyst.Ms. Toth is a graduate of Wilfrid Laurier University with an Honours Bachelor of Business Administration and is currently pursuing the professional independent director designation (ICD.D) from the Institute of Corporate Directors and the University of Toronto's Rotman School of Management. Ms. Toth expects to graduate from this program in the Fall of 2019.

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| Board/Committee Memberships/2018 Attendance: | Board (4/4), Audit (4/4) |
| Public Board Memberships in last five (5) years: | LOGiQ Asset Management Inc. (2016-2018) |
| 2018 Compensation: | $142,244[(1)] (100% in security based compensation) |

**Securities held at fiscal year end**

| Fiscal Year | Shares (#) | DSUs (#) | Options (#) | Total Value of Securities | Multiple of Annual Retainer | Meets or Exceeds Share Ownership Requirements |
|---|---|---|---|---|---|---|
| 2018 | 45,000 | 127,329 | Nil | $435,972[(2)] | 3.4 | Yes |

(1) Converted to U.S. dollars based on a 1.290, 1.280, 1.310 and 1.330 USD/CAD exchange rate on March 2, 2018, May 14, 2018, August 13, 2018 and November 14, 2018, respectively (the dates of payment of director fees).
(2) Represents the value of Common Shares and DSUs and the intrinsic value of all Options (whether vested or unvested) based on the closing price of the Common Shares on the TSX on December 31, 2018 and converted to U.S. dollars based on a 1.364 USD/CAD exchange rate on December 31, 2018.

**Carol E. Goldman – Independent Director**
Des Peres, Missouri, USA | Director since 2017 | Age 61

Ms. Goldman serves on the Board of Directors of Youth-In-Need and is a member of the Finance Committee, and the Board of Directors of The Sheldon Concert Hall. Ms. Goldman is a Human Resource Professional with over 30 year's executive leadership within healthcare, manufacturing and telecommunications industries during periods of high organic and M&A driven organizational growth. Experienced in hiring and talent acquisition, performance management, benefits strategies, employee relations and organizational development, Ms. Goldman brings strong experience in coaching and consulting to clients and customers. She retired in 2018 from an 18-year career with Centene Corporation, a multi-line healthcare enterprise, as Executive Vice President and Chief Administrative Officer. She was nominated as one of St. Louis Business Journal Most Influential Business Woman. Ms. Goldman is a graduate of Missouri State University with a Bachelor of Science in Psychology and Education, Cum Laude and Lindenwood University with a Master of Business in Human Resources Management, Magna Cum Laude.

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| Board/Committee Memberships/2018 Attendance: | Board (4/4), C&CGC (4/4) |
| Public Board Memberships in last five (5) years: | Nil |
| 2018 Compensation: | $185,000 (100% in security based compensation) |

**Securities held at fiscal year end**

| Fiscal Year | Shares (#) | DSUs (#) | Options (#) | Total Value of Securities | Multiple of Annual Retainer | Meets or Exceeds Share Ownership Requirements |
|---|---|---|---|---|---|---|
| 2018 | Nil | 152,675 | Nil | $386,250[(1)] | 2.3 | Yes |

(1) Represents the value of Common Shares and DSUs and the intrinsic value of all Options (whether vested or unvested) in U.S. dollars based on the closing price of the Common Shares on the TSX on December 31, 2018 and converted to U.S. dollars based on a 1.364 USD/CAD exchange rate on December 31, 2018.

## Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of ECN Capital, no proposed nominee for election as a director of ECN Capital has been, at the date of this Circular or within the last 10 years: (a) a director, chief executive officer or

chief financial officer of any company that, while that person was acting in that capacity, (i) was the subject of a cease trade or similar order or an order that denied the company access to any exemption under securities legislation, for a period of more than 30 consecutive days, except that Pierre Lortie as a Director of Quest Rare Minerals Ltd. ("QRM") was subject to a management cease trade order ("MCTO") issued on January 31, 2017 by the Autorité des marchés financiers under National Policy 12-203 – *Cease Trade Orders for Continuous Disclosure Defaults*, pursuant to which QRM's directors and senior officers could not trade in QRM's securities. The MCTO was issued following the filing by QRM of an annual information form for the fiscal year ended October 31, 2016 that was not compliant with *Regulation 51-102 respecting Continuous Disclosure Obligations* (Québec) and the failure by QRM to file a technical report compliant with *Regulation 43-101 respecting Standards of Disclosure for Mineral Projects* (Québec) supporting the scientific and technical information relating to QRM's Strange Lake project, the MCTO was lifted on March 14, 2017; or (ii) was the subject of an event that resulted, after that person ceased to be a director or chief executive officer or chief financial officer, in the company being the subject of such an order; (b) a director or executive of a company that, while that person was acting in that capacity or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, except that: (i) Steven Hudson was a director of Herbal Magic Inc. which was deemed to have made an assignment in bankruptcy pursuant to the provisions of the *Bankruptcy and Insolvency Act* (Canada) (the "BIA") in August, 2014 and Mr. Hudson was a director until March 18, 2015 of 8942595 Canada Inc., the successor business to Herbal Magic Inc., which made a voluntary assignment into bankruptcy on August 17, 2015; and (ii) Pierre Lortie who until June 2015 was Chairman of Biocean Canada Inc. which, on October 10, 2014, filed a Notice of Intention to make a proposal under the BIA; or (c) has become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

No proposed director of the Corporation has been subject to (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

**Majority Voting Policy**

ECN Capital has adopted a majority voting policy. The following description is a summary only and is qualified in its entirety by the full text of ECN Capital's majority voting policy which is available on ECN Capital's SEDAR profile at www.sedar.com and on ECN Capital's website at www.ecncapitalcorp.com.

Pursuant to the majority voting policy, shareholders vote for the election of individual directors at each annual meeting of shareholders, rather than for a fixed slate of directors. Further, in an uncontested election of directors at an applicable meeting of shareholders, the votes cast in favour of the election of a director nominee must represent a majority of the shares voted and withheld for the election of the director. If that is not the case, that director must tender his or her resignation to the Chairman of the Board (the "Chairman"). The C&CG Committee will promptly consider such tendered resignation and recommend to the Board the action to be taken with respect to such tendered resignation, and the Board shall accept the resignation absent exceptional circumstances, and it must promptly disclose its decision via press release.

If the Board determines not to accept the resignation, the press release must fully state the reasons for that decision. In making its recommendation to the Board, the C&CG Committee will consider the

reasons why the votes were withheld, the skills and expertise of that director, the overall composition of the Board, including the skills and the expertise of the other directors and also whether accepting the resignation would cause ECN Capital to fail to meet any applicable securities laws and rules of any provincial securities commissions or stock exchange and whether the resignation of the director could result in the triggering of change in control or similar provisions under any contract by which ECN Capital is bound or any benefit plan of ECN Capital and, if so, the potential impact thereof. If a resignation is accepted, the Board may leave the resultant vacancy in the Board unfilled until the next annual meeting of shareholders, fill the vacancy through the appointment of a director whom the Board considers to merit the confidence of ECN Capital's shareholders, reduce the size of the Board, or call a special meeting of the shareholders to consider the election of a nominee recommended by the Board to fill the vacant position.

**Advance Notice Provisions**

ECN Capital's by-laws contain advance notice provisions pertaining to shareholders (who meet the necessary qualifications outlined in the by-laws) seeking to nominate candidates for election as directors (a "Nominating Shareholder") at any annual meeting of shareholders, or for any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors (the "Advance Notice Provisions"). The following description is a summary only and is qualified in its entirety by the full text of the applicable provisions of ECN Capital's by-laws which are available on ECN Capital's SEDAR profile at www.sedar.com and on ECN Capital's website at www.ecncapitalcorp.com.

In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof in proper written form to the corporate secretary of ECN Capital. To be timely, a Nominating Shareholder's notice to the corporate secretary must be made: (i) in the case of an annual meeting of shareholders (including an annual and special meeting), not less than 30 days prior to the date of the annual meeting of Shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than 50 days after the date (the "Notice Date") on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the 10th day following the Notice Date; and (ii) in the case of a special meeting of shareholders (which is not also an annual meeting) called for the purpose of electing directors (whether or not called for other purposes as well), not later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting of shareholders was made. ECN Capital's by-laws also prescribe the proper written form for a Nominating Shareholder's notice.

The chairperson of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the notice procedures set forth in the by-laws and, if any proposed nomination is not in compliance with such provisions, the discretion to declare that such defective nomination will be disregarded.

Notwithstanding the foregoing, the directors of ECN Capital may, in their sole discretion, waive any requirement in the Advance Notice Provisions.

**Director Term Limits/Mandatory Retirement**

The Board has actively considered the matters of term limits and mandatory retirement and will continue to do so. At this time and given the relatively short tenure of the ECN Capital Board since inception of the Corporation, the Board feels that these types of policies would not be appropriate for our Board. In fact, the Board feels that its rigorous self-evaluation process combined with input from the Corporation's external third-party governance firm, Global Governance Advisors ("GGA"), is a more effective and

transparent manner to ensure directors continue to add value and remain strong contributors, and the current constitution of the Board reflects these objectives.

**Director Interlocks**

The Board does not set a formal limit on the number of interlocking board memberships. The C&CG Committee reviews director interlock as part of its annual evaluation of director independence. There are no public company board interlocks among the directors.

**2018 Director Attendance**

ECN Capital had 100% director attendance for all Board and committee meetings in 2018. The attendance record for each individual director standing for re-election at this Meeting is set out in the director profiles above. At each Board and committee meeting, *in camera* sessions of the independent directors were held to permit members who are considered independent of management to meet without the presence of management.

The C&CG Committee reviews the attendance record of each director as part of the nomination process. The Board has implemented a director attendance policy pursuant to which a director would be required to tender his or her resignation if such director did not meet a minimum attendance requirement (75% of meetings in a given year), subject to a review of extenuating circumstances for such director.

**Director Skills Assessment**

The Board has constituted the C&CG Committee to annually conduct a self-assessment of the Board's performance, an assessment of Board members and its committees, with each committee assessing its members, and to recommend to the Board nominees for appointment of new directors to fill vacancies or meet additional needs of the Board. Through the Board evaluation process and ongoing monitoring of the needs of the Corporation, desired expertise and skill sets are identified and individuals that possess the required experience and skills are contacted by the Chair of the C&CG Committee. Prospective new director nominees are interviewed by the Chair of the C&CG Committee, the Chairman of the Board and the Chief Executive Officer and considered by the entire C&CG Committee for recommendations to the Board as potential nominee directors.

The matrix below illustrates the mix of experience, knowledge and understanding possessed by the members of the Board in the categories that are relevant to the Corporation that enable the Board to better carry out its fiduciary responsibilities.

| | **William Lovatt** | **Steven Hudson** | **Paul Stoyan** | **Pierre Lortie** | **David Morris** | **Donna Toth** | **Carol Goldman** |
|---|---|---|---|---|---|---|---|
| Accounting | √ | √ | - | √ | √ | √ | - |
| Financial Literacy | √ | √ | √ | √ | √ | √ | √ |
| Corporate Finance / M&A | √ | √ | √ | √ | √ | √ | √ |

| | William Lovatt | Steven Hudson | Paul Stoyan | Pierre Lortie | David Morris | Donna Toth | Carol Goldman |
|---|---|---|---|---|---|---|---|
| Executive Leadership | √ | √ | √ | √ | √ | √ | √ |
| Economics/Business | √ | √ | √ | √ | √ | √ | √ |
| Governance | √ | √ | √ | √ | √ | √ | √ |
| Government/Regulatory | √ | √ | √ | √ | √ | - | √ |
| International Business | √ | √ | √ | √ | √ | - | √ |
| Legal | - | - | √ | - | - | - | - |
| Risk Management | √ | √ | √ | √ | √ | √ | √ |
| Strategic Planning | √ | √ | √ | √ | - | √ | √ |
| Other Board Experience | √ | √ | √ | √ | √ | √ | √ |
| Human Resources/Compensation | √ | √ | √ | √ | - | - | √ |

**Director Compensation and Required Equity Ownership**

The Board has established a formal equity ownership policy requiring that each non-employee director hold at least five (5) times his or her annual director remuneration in Common Shares and/or deferred share units ("DSUs") based on the closing price of the Common Shares at the end of the most recently completed fiscal year. Each director is required to comply with this equity ownership requirement by no later than four (4) years from the date of becoming a director. All directors are currently in compliance with the equity ownership policy relative to the time each director was elected to the Board. Until the minimum shareholding is achieved, each non-executive director must take all remuneration paid to him or her in the form of DSUs. Directors are also required to receive a minimum of 50% of their annual retainer fee in DSUs. In line with best practices for security based compensation arrangements, effective as of October 3, 2016, the granting of Options to non-employee directors under the Option Plan was discontinued, and an amendment to the Option Plan to codify such practice is being proposed and to be voted on at the Meeting. See "Matter to be Acted Upon at Meeting - Re-Approval of Share Option Plan".

**2018 Directors' Compensation**

Having regard to discussions with GGA in connection with advice on director compensation, the C&CG Committee and the Board approved for fiscal 2018 a director compensation package (for non-executive directors of the Corporation) comprised as follows:

| Fee Description[1] | 2018 Amount |
|---|---|
| Annual Board Chair Retainer | $475,000 |

| Fee Description[1] | 2018 Amount |
|---|---|
| Annual Board Member Retainer[2][3] | $127,379 |
| Committee Chair Retainer[2] | $26,908 |
| Committee Member Retainer[2][3] | $15,376 |
| Meeting Fee | Nil |

(1) 50% of the directors' compensation is payable in DSUs and directors elect to take the remainder of their annual compensation in the form of DSUs and/or cash, provided that new directors must receive DSUs until they comply with the shareholding requirements of the Corporation's equity ownership policy for directors.
(2) Converted to U.S. dollars based on a 1.290, 1.280, 1.310 and 1.330 USD/CAD exchange rate on March 2, 2018, May 14, 2018, August 13, 2018 and November 14, 2018, respectively (the dates of payment of director fees).
(3) Ms. Goldman receives an annual board member retainer of $165,000 given her U.S. residency. Mr. Lovatt and Ms. Goldman receive committee member retainers of $20,000.

2018 Board Compensation remained unchanged from 2017.

The following table sets forth all amounts of compensation paid to non-executive directors of the Corporation in fiscal 2018.

| Name[1] | Cash fees earned ($) | Option-based awards[2] ($) | Share-based awards[3] ($) | Total ($) |
|---|---|---|---|---|
| William Lovatt | Nil | Nil | 535,000 | 535,000 |
| Paul Stoyan[4] | 105,709 | Nil | 63,953 | 169,663 |
| Pierre Lortie[4] | 25,849 | Nil | 128,438 | 154,287 |
| David Morris[4] | Nil | Nil | 154,287 | 154,287 |
| Donna Toth[4] | Nil | Nil | 142,244 | 142,244 |
| Carol Goldman | Nil | Nil | 185,000 | 185,000 |

(1) Compensation disclosure for Steven Hudson provided under the heading "Compensation Discussion and Analysis – Summary Compensation Table".
(2) In line with best practices for security based compensation arrangements, effective as of October 3, 2016, the granting of Options to non-employee directors under the Option Plan was discontinued, and an amendment to the Option Plan to codify such practice is being proposed and to be voted on at the Meeting. See "Matter to be Acted Upon at Meeting - Re-Approval of Share Option Plan".
(3) DSUs were issued to directors based on the 10-day volume weighted average price of the Common Shares preceding the grant date, as per the terms of the Corporation's Deferred Share Unit Plan.
(4) Converted to U.S. dollars based on a 1.290, 1.280, 1.310 and 1.330 USD/CAD exchange rate on March 2, 2018, May 14, 2018, August 13, 2018 and November 14, 2018, respectively (the dates of payment of director fees).

## Outstanding Option-Based and Share-Based Awards

The following table sets out all option-based and share-based (DSU) awards outstanding as of December 31, 2018 for all non-executive directors of the Corporation. Except as set out in the footnotes to the table below, outstanding options of ECN Capital held by directors were issued in connection with the Separation Transaction. Effective October 3, 2016, ECN Capital no longer issues Options to non-executive directors for any reason and the Plan Amendments, if approved at the Meeting, will prohibit the issuance of Options to non-employee directors.

| Option-based Awards | | | | | Share-based Awards | | |
|---|---|---|---|---|---|---|---|
| Name[1] | Number of securities underlying unexercised options (#) | Option exercise price (CAD$) | Option expiration dates | Value of unexercised in-the-money options[2] ($) | Number of shares or units that have not vested (#) | Market or payout value of share-based awards that have not vested ($) | Market or payout value of share-based awards not paid out or distributed[3] ($) |
| William Lovatt | 100,000 | 2.70 | 2022-2024 | 54,997 | NA | NA | 1,183,292 |
| Paul Stoyan | 112,339 | 2.63 | 2020-2024 | 67,750 | NA | NA | 229,529 |
| Pierre Lortie | 280,449 | 1.79 | 2019-2024 | 342,227 | NA | NA | 315,459 |
| David Morris | 100,000 | 2.70 | 2022-2024 | 54,997 | NA | NA | 351,838 |
| Donna Toth | Nil | NA | NA | NA | NA | NA | 322,127 |
| Carol Goldman | Nil | NA | NA | NA | NA | NA | 386,250 |

(1) Compensation disclosure for Steven Hudson provided under the heading "Compensation Discussion and Analysis – Summary Compensation Table".

(2) Represents the intrinsic value of all Options (whether vested or unvested) based on the closing price of the Common Shares on the TSX on December 31, 2018 and the 1.364 USD/CAD exchange rate on December 31, 2018.
(3) The market or payout value of DSUs that are payable after the director resigns from the Board. Noted amount is based on the closing price of the Common Shares on the TSX on December 31, 2018 ($3.45) and converted to U.S. dollars based on a 1.364 USD/CAD exchange rate on December 31, 2018.

### Value Vested or Earned During the Year

The table below sets out all Options vested during the year and DSUs held by non-executive directors of the Corporation that vested but have not been paid out as of December 31, 2018.

| Name[1] | Option-based awards – Value vested during the year[2] ($) | Share-based awards – Value vested during the year[3] ($) |
|---|---|---|
| William Lovatt | 18,332 | 535,000 |
| Paul Stoyan | 18,332 | 63,953 |
| Pierre Lortie | 18,332 | 128,438 |
| David Morris | 18,332 | 154,287 |
| Donna Toth | Nil | 142,244 |
| Carol Goldman | Nil | 185,000 |

(1) Compensation disclosure for Steven Hudson is provided under the heading "Compensation Discussion and Analysis – Summary Compensation Table".
(2) Options vested during the year based on the intrinsic value of options based on the closing price of the Common Shares on the TSX on December 31, 2018 and converted to U.S. dollars based on a 1.364 USD/CAD exchange rate on December 31, 2018.
(3) DSU's vested during the year based on the CAD value of DSU's awarded converted to U.S. dollars based on a 1.290, 1.280, 1.310 and 1.330 USD/CAD exchange rate on March 2, 2018, May 14, 2018, August 13, 2018 and November 14, 2018, respectively (the dates of the payment of the director fees).

## STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The Corporation's corporate governance disclosure obligations are set out in the Canadian Securities Administrators' National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("NI 58-101"), National Policy 58-201 – *Corporate Governance Guidelines* and National Instrument 52-110 – *Audit Committees* ("NI 52-110"). These instruments set out a series of guidelines and requirements for effective corporate governance (collectively, the "Guidelines"). The Guidelines address matters such as the constitution and independence of corporate boards, the functions to be performed by boards and their committees and the effectiveness and education of board members. NI 58-101 requires the disclosure by each listed corporation of its approach to corporate governance with reference to the Guidelines.

Set out below is a description of the Corporation's approach to corporate governance in relation to the Guidelines.

### Board of Directors

The Board is currently comprised of seven directors: William Lovatt, Steven Hudson, Paul Stoyan, Pierre Lortie, David Morris, Donna Toth and Carol Goldman. As detailed under "Matters to be Acted Upon – 2. Election of Directors", if each of the director nominees are elected at the Meeting, the Board will be comprised of the same seven directors.

The primary function of the Board is to supervise the management of the business and affairs of ECN Capital, and includes the responsibility for succession planning, disclosure and communication policy, setting risk management and internal controls, corporate governance, senior management compensation and oversight, director compensation and assessment and approving material transactions and contracts. The Board is also responsible for reviewing the succession plans for ECN Capital, including appointing, training and monitoring senior management to ensure that the Board and management have appropriate skill and experience. The Board has established an Audit Committee, a C&CG Committee and a Credit and

Risk Committee (the "C&R Committee"). See "ECN Capital's Directors and Executive Officers" for a chart setting out the membership of each of the committees of the Board.

The Board has delegated to the applicable committee those duties and responsibilities set out in each committee's mandate. The primary mandate of the Audit Committee is to provide assistance to the Board in fulfilling its responsibility to the shareholders, potential shareholders and the investment community, to oversee the work and review the qualifications and independence of the external auditors of ECN Capital, to review the financial statements of ECN Capital and public disclosure documents containing financial information and to assist the Board with the legal compliance and ethics programs as established by management and by the Board and as required by law.

The primary mandate of the C&CG Committee with respect to compensation is to approve corporate goals and objectives relevant to the compensation of the Chief Executive Officer (the "CEO") and to make recommendations with respect to the CEO's compensation based on its evaluation, to recommend compensation arrangements for the directors, committee members and chairs, and the Chairman, to administer and interpret the incentive compensation and equity compensation plans, and to approve the appointment, compensation and terms of employment for the Chief Financial Officer (the "CFO") and senior management of ECN Capital. The primary mandate of the C&CG Committee with respect to corporate governance is to assess the effectiveness of the Board, of committees of the Board and of the directors of the Board, to recommend to the Board candidates for election as directors and candidates for appointment to Board committees and to advise the Board on enhancing ECN Capital's corporate governance through a continuing assessment of ECN Capital's approach to corporate governance.

The primary mandate of the C&R Committee is: (i) to review ECN Capital's portfolio and origination strategies and plans, to approve ECN Capital's credit risk assessment and management policies, to monitor interest rate risk in connection with ECN Capital's portfolio, and to provide advice and input respecting various matters relating to mergers and acquisitions and other strategic initiatives and investments; and (ii) to assist the Board in fulfilling its responsibilities for defining ECN Capital's risk appetite and overseeing ECN Capital's risk profile and performance against the defined risk appetite. The C&R Committee will be also responsible for overseeing the identification, measurement, monitoring and controlling of ECN Capital's principal business risks.

***Independence of the Board***

NI 58-101 defines an "independent director" as a director who has no direct or indirect material relationship with the Corporation. A "material relationship" is in turn defined as a relationship which could, in the view of the Board, be reasonably expected to interfere with such member's independent judgment. In determining whether a particular director is an "independent director" or a "non-independent director", the Board considers the factual circumstances of each director in the context of the Guidelines.

The Board is currently comprised of seven members, a majority of whom are "independent directors" within the meaning of NI 58-101. The six independent directors are William Lovatt (Chairman), Paul Stoyan, Pierre Lortie, David Morris, Donna Toth and Carol Goldman. Mr. Hudson is not independent for the purposes of NI 58-101 because he is part of management of ECN Capital.

If the proposed nominees are elected to the Board (see "Matters to be Acted Upon – 2. Election of Directors"), the Board will be comprised of seven members, consisting of six independent directors as well as Steven Hudson who, as set out above, is not independent for the purposes of NI 58-101.

***Independent Chairman***

The roles of the Chairman and CEO are separate. William Lovatt serves as Chairman of ECN Capital. The Chairman is independent and responsible for the management, development and effective functioning of the Board and provides leadership in every aspect of its work. The position description for the Chairman sets out the Chairman's key responsibilities, which include setting the Board meeting agenda in consultation with the CEO and chairing all Board meetings. In the absence of the Chairman, an independent director chosen by the Board will assume the responsibilities of the Chairman. The Chairman provides leadership to the directors and ensures the Board is independent from management. The Chairman and each committee can also engage outside consultants without consulting management. This helps ensure they receive independent advice as they feel necessary.

***Meeting in-camera***

The Board and Board committees meet without management and non-independent directors at the end of all meetings and, in some cases, at the beginning of meetings. These discussions generally form part of the committee chairs' reports to the Board. The Chairman encourages open and candid discussions among the independent directors by providing them with an opportunity to express their views on key topics before decisions are taken.

***Succession planning***

The C&CG Committee (with the advice of the Chairman) has primary oversight of succession planning for senior management, the performance assessment of the CEO, and the CEO's assessments of the other senior officers. The C&CG Committee conducts in-depth reviews of succession options relating to senior management positions and, when appropriate, approves the rotation of senior executives into new roles to broaden their responsibilities and experiences and deepen the pool of internal candidates for senior management positions.

An emergency succession plan and contingency plan has been adopted by the C&CG Committee and the Board that contemplates a scenario in which the CEO suddenly and unexpectedly is unable to perform his duties for an extended period.

The independent directors participate in the assessment of the CEO's performance every year. The board approves all appointments of executive officers.

**Board Mandate**

The Board is responsible for the overall stewardship of the Corporation. The Board discharges this responsibility directly and through delegation of specific responsibilities to Board committees, the Chairman, and officers of the Corporation, all as more particularly described in the Board Mandate adopted by the Board.

As set out in the Board Mandate, the Board has established three committees to assist with its responsibilities: the Audit Committee, the C&CG Committee and the C&R Committee. Each of the Audit Committee, the C&CG Committee and the C&R Committee has a mandate defining its responsibilities. The Board Mandate also provides for the establishment of additional committees of the Board. The Board Mandate is attached as Exhibit D.

**Position Descriptions**

The Board has written position descriptions for the Chairman, chairs of each of the committees of the Board, and the CEO. The Board Mandate and the committee mandates for the Audit Committee, C&CG Committee and the C&R Committee set out in writing the responsibilities of the Board and the committees for supervising management of the Corporation.

**Diversity**

***Board of Directors***

ECN Capital recognizes the benefits that diversity brings to the Corporation. The Board aims to be comprised of directors who have a range of perspectives, insights and views in relation to the issues affecting ECN Capital. This belief in diversity is reflected in a written diversity policy adopted by the Board. The diversity policy states that the Board should include individuals from diverse backgrounds, having regard to, among other things, gender, status, age, business experience, professional expertise, education, nationality, race, culture, language, personal skills and geographic background. Accordingly, consideration of whether the diverse attributes highlighted in the policy are sufficiently represented on the Board is an important component of the selection process for new Board members.

The C&CG Committee has emphasized the Board's commitment to the recruitment of women by making the identification of candidates who are women a key search criterion in the director selection and nomination process. This resulted in the Board appointing two women directors in 2017. These directors are also nominees for re-election as directors at this meeting. Assuming that all nominees for director are elected, two of seven directors (29%) on the Board will continue to be women. The Board recognizes the value of the contribution of members with diverse attributes on the Board and is committed to ensuring that there is representation of women on the Board.

Board Member and CEO, Steven Hudson is a Member of the 30% Canada Club. The 30% Canada Club believes that gender balance on boards encourages better leadership and governance, and contributes to better all-round board performance. The 30% Canada Club does not believe mandatory quotas are the right approach. It supports a voluntary approach based on developing gender diverse talent pools throughout all levels of the Corporation. This approach accelerates progress towards better gender balance, and ultimately, improved performance for the Corporation and its shareholders.

***Management***

ECN Capital believes that a diversity of backgrounds, opinions and perspectives and a culture of inclusion helps to create a healthy and dynamic workplace, which improves overall business performance. ECN Capital recognizes the value of ensuring that the Corporation has leaders who are women. The Corporation prides itself on developing its employees internally and providing them with opportunities to advance their careers. ECN Capital continues to build on its strategy towards increasing the representation of women in leadership roles at all levels of the organization. One of the objectives of this initiative is to ensure that there are highly-qualified women within ECN Capital and its operating subsidiaries available to fill vacancies in executive officer and other leadership positions. In appointing individuals to its leadership teams, both at the corporate level and business vertical level, ECN Capital weighs a number of factors, including the skills and experience required for the position and the personal attributes of the candidates.

The Corporation believes that the most effective way to achieve its goal of increasing the representation of women in leadership roles at all levels of the organization is to identify high-potential

women within the Corporation and work with them to ensure they develop the skills, acquire the experience and have the opportunities necessary to become effective leaders. Several highly capable and accomplished women are represented in executive roles at ECN Capital and its operating subsidiaries.

**Orientation and Continuing Education**

As set out in the Board Mandate, ECN Capital has a policy of making a full initial orientation and continuing education process available to Board members. The Board is responsible for director orientation and continuing education. All new directors are provided with an initial orientation regarding the nature and operation of ECN Capital's business and the affairs of ECN Capital and as to the role of the Board and its committees, as well as the legal obligations of a director of ECN Capital. Existing directors are periodically updated on these matters. Board members are also encouraged to pursue further studies in corporate governance, for example, by enrolling in director education courses such as those in the Directors Education Program at the Institute of Corporate Directors; these courses and educational programs are funded by ECN Capital and several board members have enrolled in them.

In order to orient new directors as to the nature and operation of ECN Capital's business, they are given the opportunity to meet with key members of the management team, including senior executives within ECN Capital's operating subsidiaries, to discuss ECN Capital's business and activities. In addition, new directors receive copies of Board materials, corporate policies and procedures, industry reports and other information regarding the business and operations of ECN Capital. ECN Capital's Board orientation and education programs include periodic Board visits to the headquarters of its operating subsidiaries during which the Board receives detailed management presentations from senior management of such subsidiaries and are given an opportunity to tour each of the facilities.

ECN Capital's Board members are expected to keep themselves current with industry trends and developments and are encouraged to communicate with management and, where applicable, auditors, advisors and other consultants of ECN Capital. Board members have access to ECN Capital's in-house and external legal counsel in the event of any questions or matters relating to the Board members' corporate and director responsibilities and to keep themselves current with changes in legislation. ECN Capital's Board members have full access to ECN Capital's records.

The Corporation provides ongoing continuous education programs through key business area presentations, business updates and operations site visits as appropriate.

**Nomination of Directors**

The C&CG Committee is responsible for recommending to the Board candidates for election as directors and candidates for appointment to Board committees as set out in the C&CG Committee Mandate. See "- Compensation and Corporate Governance Committee". The Chairman is also responsible for consulting with the C&CG Committee regarding candidates for nomination or appointment to the Board.

**Shareholder Engagement**

The Board is committed to active engagement with ECN Capital's shareholders. The Corporation regularly meets with its shareholders at conferences, industry events, and in one-on-one meetings. These conversations with the Corporation's shareholders allow the company to better understand its shareholders' perspectives and provides the Corporation with useful feedback to calibrate its priorities. In addition to ECN Capital management's regular engagement with ECN Capital's shareholders throughout 2018, the Chairman of the Board, the Chairman of the C&CG Committee the CEO, President and others on the senior leadership team, met with a number of ECN Capital shareholders to obtain feedback on key topics,

including corporate governance practices, executive compensation, financial performance and other matters. In 2018, the Corporation engaged in discussions with shareholders representing approximately 10% of our shareholders and approximately 30% of our actively managed institutional shareholder base. A summary of the feedback we received was provided to the Board for review and consideration. As discussed under "Compensation Discussion and Analysis – Summary of Key Commitments and Changes Regarding Executive Compensation", in response to shareholder feedback and ongoing evaluation and discussion with senior executive management, certain senior executive management members offered to agree to a reduction in their executive compensation of between 12.5% to 20% in 2018, which allowed the Corporation to commit to and achieve targeted executive compensation reductions as part of its overall commitment to implement certain corporate cost reduction initiatives. The Corporation also changed certain of its performance metrics applicable to short-term, medium-term and long-term incentives for executives and conducted a rigorous review and update of its NEO compensation comparator group. The Board and ECN Capital management intend to continue to engage with ECN Capital shareholders in 2019 via various planned and committed activities, including continued one-on-one sessions with our shareholder base, in order to continue to understand and appreciate shareholder perspectives and to ensure that these perspectives are taken into account in future decisions.

**Ethical Business Conduct**

The Board has adopted a Code of Business Conduct and Ethics (the "Code"), a written code of business conduct and ethics for the Corporation's directors, officers and employees that sets out the Board's expectations for the conduct of such persons in their dealings on behalf of the Corporation. The Board has established confidential reporting procedures in order to encourage employees, directors and officers to raise concerns regarding matters addressed by the Code on a confidential basis free from discrimination, retaliation or harassment. Employees who violate the Code may face disciplinary actions, including dismissal.

The Code is designed to deter wrongdoing and promote honest and ethical conduct; avoidance of conflicts of interests; confidentiality of corporate information; protection and proper use of corporate assets and opportunities; compliance with applicable governmental laws, rules and regulations; prompt internal reporting of any violations of the Code; accountability for adherence to the Code; and ECN Capital's culture of honesty and accountability. A copy of the Code may be obtained by contacting ECN Capital and requesting a copy from its investor relations contact on ECN Capital's website at www.ecncapitalcorp.com or by mail at 181 Bay Street, Suite 2830, Toronto, Ontario, M5J 2T3.

The Board monitors compliance with the Code by delegating responsibility for investigating and enforcing matters related to the Code to management, who will report breaches of the Code to the Corporation's Secretary. Any such investigations and resolutions of complaints will be reviewed by the Corporation's Secretary who will report annually to the Board thereon. Certain of the matters covered by the Code are also subject to Audit Committee oversight. Any employee who becomes aware of a violation of the Code must report the violation to a member of management. Directors and executive officers are required by applicable law and the Code to promptly disclose any potential conflict of interest that may arise. If a director or executive officer has a material interest in an agreement or transaction, applicable law, the Code and principles of sound corporate governance require them to declare the interest in writing or request to have such interest entered in the minutes of meetings of directors and where required by applicable law abstain from voting with respect to the agreement or transaction. The C&CG Committee is responsible for monitoring such conflicts of interest under the Code. The Board has delegated the communication of the Code to employees to management who are expected to encourage and promote a culture of ethical business conduct. Consistent with its mandate to periodically monitor and review the Code, on February 27, 2019 the Board approved a series of updates to its Whistleblower Policy in order to align the Code's provisions with current best practices.

***Insider Trading Policy***

In addition to the Code, ECN Capital has a comprehensive insider trading policy relating to the trading in securities of ECN Capital by officers, directors, and employees of ECN Capital and its subsidiaries (the "Insider Trading Policy"). Among other things, the following is prohibited by the Insider Trading Policy: (i) short sales of ECN Capital's securities; (ii) transactions in puts, calls or other derivative securities, on an exchange or in any other organized market; (iii) hedging or monetization transactions that allow an individual to continue to own the covered securities, but without the full risks and rewards of ownership; and (iv) the resale of securities of ECN Capital purchased in the open market prior to the expiration of three months from the purchase date. Consequently, the foregoing prohibitions in the Insider Trading Policy do not permit an ECN Capital executive officer or director to purchase financial instruments that are designed to hedge or offset a decrease in market value of ECN Capital's equity securities granted as compensation or held, directly or indirectly, by an ECN Capital executive officer or director.

**Board and Committee Assessment**

The C&CG Committee is responsible for assessing the effectiveness of the Board as a whole, the committees of the Board and the contribution of individual directors. The assessment includes two detailed annual questionnaires that each director must complete. The annual questionnaires cover a range of topics including: (i) individual self-assessment; (ii) assessment of the Board and committee performance and effectiveness; and (iii) an assessment of peer performance at the Board level and at the committee level. The Board's independent advisor, GGA, is engaged to review and analyze the completed questionnaires and provide to the C&CG Committee a presentation and a detailed written report of the responses to the questionnaire and an analysis of those responses. Additional feedback is often sought and received from directors. GGA attends at a meeting of the C&CG Committee to present their report, address any questions the C&CG Committee may have and make recommendations as appropriate. The written analysis from the consulting firm together with any issues or concerns raised by the questionnaire and during the meeting with the independent management consultant constitutes part of the report to the Board. The C&CG Committee presents the detailed report to the Board and makes recommendations to improve the effectiveness of the Board in light of the results of the performance evaluation.

**Audit Committee**

The Audit Committee is comprised of three directors of the Corporation, David Morris (Chair), William Lovatt and Donna Toth, all of whom are independent and financially literate for purposes of NI 52-110. The responsibilities and operation of the Audit Committee are set out in the Corporation's Audit Committee Charter, the text of which is included as Appendix A to the Corporation's Annual Information Form dated February 27, 2019 (the "AIF"), a copy of which is available on SEDAR at www.sedar.com. Please refer to the section entitled "Audit Committee" in the AIF for further information.

The members of the Audit Committee are appointed annually by the Board, and each member of the Audit Committee serves at the pleasure of the Board until the member resigns, is removed, or ceases to be a member of the Board.

**Compensation and Corporate Governance Committee**

The C&CG Committee is comprised of three directors, Paul Stoyan (Chair), William Lovatt and Carol Goldman, each of whom is considered to be "independent" as defined in NI 58-101. The C&CG Committee conducts its business on the basis of majority approval, which encourages an objective process for determining compensation.

The members of the C&CG Committee are appointed annually by the Board, and each member of the C&CG Committee serves at the pleasure of the Board until the member resigns, is removed, or ceases to be a member of the Board.

To fulfill its responsibilities and duties in developing the Corporation's approach to compensation issues, the C&CG Committee shall:

(i) review and approve corporate goals and objectives relevant to CEO compensation;

(ii) evaluate the CEO's performance in light of those corporate goals and objectives, and make recommendations to the Board with respect to the CEO's compensation level based on its evaluation;

(iii) review the recommendations to the C&CG Committee of the CEO respecting the appointment, compensation and other terms of employment of the President, CFO, all senior management reporting directly to the CEO and all other officers appointed by the Board and, if advisable, approve and recommend for board approval, with or without modifications, any such appointment, compensation and other terms of employment;

(iv) administer and interpret ECN Capital's share compensation agreements and its policies respecting the grant of options or other security based compensation or the sale of shares thereunder, and review and recommend for approval of the Board the grant of options thereunder and the terms thereof;

(v) review ECN Capital's pension and retirement arrangements in light of the overall compensation policies and objectives of ECN Capital;

(vi) review employment agreements between ECN Capital and the CEO, and between ECN Capital and executive officers, and amendments to the terms of such agreements shall be subject to review and recommendation by the C&CG Committee and approval by the Board;

(vii) review management's policies and practices respecting ECN Capital's compliance with applicable legal prohibitions, disclosure requirements or other requirements on making or arranging for personal loans to senior officers or directors or amending or extending any such existing personal loans or arrangements;

(viii) recommend to the Board for its approval the terms upon which directors shall be compensated, including the Chairman (if applicable) and those acting as committee chairs and committee members;

(ix) review on a periodic basis the terms of and experience with ECN Capital's executive compensation programs for the purpose of determining if they are properly coordinated and achieving the purpose for which they were designed and administered;

(x) review executive compensation disclosure before ECN Capital publicly discloses this information;

(xi) submit a report to the Board on human resources matters at least annually; and

(xii) prepare an annual report for inclusion in ECN Capital's management information circular to ECN Capital Shareholders respecting the process undertaken by the committee in its review of compensation issues and prepare a recommendation in respect of CEO compensation.

Further information regarding the activities and recommendations of the C&CG Committee is provided in "Executive Compensation - Compensation Discussion and Analysis" above.

As set out in the C&CG Committee Mandate, the C&CG Committee is responsible for, with respect to corporate governance, among other things:

(i) developing and updating a long-term plan for the composition of the Board that takes into consideration the current strengths, competencies, skills and experience of the Board members, retirement dates and the strategic direction of ECN Capital, and reporting to the Board thereon at least annually;

(ii) undertaking on an annual basis an examination of the size of the Board, with a view to determining the impact of the number of directors, the effectiveness of the Board, and recommending to the Board, if necessary, a reduction or increase in the size of the Board;

(iii) endeavouring, in consultation with the Chairman, to ensure that an appropriate system is in place to evaluate the effectiveness of the Board as a whole, each of the committees of the Board and each individual director of the Board with a view to ensuring that they are fulfilling their respective responsibilities and duties;

(iv) in consultation with the Chairman and the CEO, annually or as required, recruiting and identifying individuals qualified to become new board members and recommending to the Board new director nominees for the next annual meeting of ECN Capital Shareholders;

(v) in consultation with the Chairman, annually or as required, recommending to the Board, the individual directors to serve on the various committees;

(vi) conducting a periodic review of ECN Capital's corporate governance policies and making policy recommendations aimed at enhancing board and committee effectiveness;

(vii) reviewing overall governance principles, monitoring disclosure and best practices of comparable and leading companies, and bringing forward to the Board a list of corporate governance issues for review, discussion or action by the Board or its committees;

(viii) reviewing the disclosure in ECN Capital's public disclosure documents relating to corporate governance practices and preparing recommendations to the Board regarding any other reports required or recommended on corporate governance;

(ix) proposing agenda items and content for submission to the Board related to corporate governance issues and providing periodic updates on recent developments in corporate governance to the Board;

(x) conducting a periodic review of the relationship between management and the Board, particularly in connection with a view to ensuring effective communication and the provision of information to directors in a timely manner;

(xi) reviewing annually the Board Mandate and the mandates for each committee of the Board, together with the position descriptions, if any, of each of the Chairman, the CEO, director and committee chairs, and where necessary, recommending changes to the Board;

(xii) reviewing and recommending the appropriate structure, size, composition, mandate and members for the committees, and recommending for board approval the appointment of each to board committees;

(xiii) recommending procedures to ensure that the Board and each of its committees function independently of management;

(xiv) monitoring conflicts of interest (real or perceived) of both the Board and management in accordance with the Code, and other policies on conflicts of interest and ethics; and

(xv) recommending procedures to permit the Board to meet on a regular basis without management or non-independent directors.

The C&CG Committee makes recommendations for candidates to the Board and candidates for appointment to various Board committees, and in making such recommendations considers the competencies and skills that the Board considers to be necessary for the Board as a whole to possess, the competencies and skills that the Board considers each existing director to possess, and the competencies and skills each new nominee will bring to the boardroom. The responsibility for approving new nominees to the Board will fall to the full Board. The C&CG Committee may also, where appropriate, recommend for Board approval the removal of a director from the Board or from a Board committee if he or she is no longer qualified to serve as a director under applicable requirements or for any other reason the C&CG Committee considers appropriate.

**Credit and Risk Committee**

The C&R Committee is currently comprised of three directors, Pierre Lortie (Chair), William Lovatt, and Steven Hudson. Pierre Lortie and William Lovatt are considered to be "independent" as defined in NI 58-101.

The C&R Committee reports to and assists the Board in: (i) overseeing and reviewing information regarding ECN Capital's credit risk management framework, including the significant policies, procedures and practices employed to manage credit risk; and (ii) overseeing and reviewing information regarding ECN Capital's risk management framework, including the significant policies, procedures and practices employed to manage risk.

The members of the C&R Committee are appointed annually by the Board, and each member of the C&R Committee serves at the pleasure of the Board until the member resigns, is removed, or ceases to be a member of the Board.

The responsibilities, powers and operation of the C&R Committee are set out in the C&R Committee Mandate. As set out in the C&R Committee Mandate, the C&R Committee is responsible for, among other things:

(i) reviewing and assessing the effectiveness of and compliance with ECN Capital's asset and liability management, interest rate and market risk, liquidity, investment, hedging, cash management and treasury policies and/or strategies, and other asset and liability matters as the C&R Committee deems appropriate;

(ii) reviewing the quality of ECN Capital's investment portfolio, liquidity and cash management;

(iii) overseeing ECN Capital's credit practices, policies and procedures;

(iv) monitoring the development, origination and performance of ECN Capital's asset portfolio from a credit risk perspective, including taking into account existing and expected market and economic trends;

(v) reviewing recommendations of management, and considering, evaluating and approving on behalf of the Board, specified transactions above the hold limits established by the Board as a ceiling on the approval authority of ECN Capital's Chief Credit Officer; and

(vi) providing advice and input relating to mergers and acquisitions, the integration of acquired businesses, and other strategic initiatives and investments.

In addition, as set out in the proposed C&R Committee Mandate, the C&R Committee, with respect to ECN Capital's general management of risk, will be responsible for, among other things:

(i) reviewing annually the report from management identifying on an enterprise basis current and emerging material risks confronting ECN Capital in terms of gross risks, measures taken and controls being applied to mitigate risks and the net of residual risks faced and ECN Capital's responses to trends affecting those exposures;

(ii) reviewing quarterly reports on a number of the identified material risks;

(iii) considering emerging industry and regulatory risks issues and their potential impact on ECN Capital;

(iv) reviewing ECN Capital's Treasury and Financial Risk Management Policy and other material risk management policies annually and, if considered appropriate, recommending such policies to the Board for approval;

(v) reviewing with management the conceptual framework for the assessment of material risks and the plans and policies to mitigate their impact on ECN Capital;

(vi) reviewing annually and approve changes when appropriate to the policies implemented for the mitigation, management and control of risk, including risk appetite, underwriting management, asset-liability risk management, capital risk, operational risk management, and mergers and acquisitions;

(vii) reviewing and considering with senior management ECN Capital's risk capacity, risk taking philosophy and approach to determining an appropriate balance between risk and reward;

(viii) reviewing and evaluating ECN Capital's current exposures to funding, currency, interest rate and other market risks in relation to its capacity to bear risk, and the management of such risks;

(ix) reviewing and discussing with senior management ECN Capital's significant financial and non-financial risk exposures, including market, credit, liquidity, operational, reputational,

strategic, regulatory, and business risks, and the steps senior management has taken to mitigate, monitor and control such risk exposures;

(x) ensuring that those managing risk within ECN Capital have adequate authority, independence and resources to perform their mandates;

(xi) ensuring that independent reviews of the risk management functions are conducted as needed; and

(xii) reviewing the effectiveness of those managing risk in ECN Capital and of the risk management functions annually.

## COMPENSATION DISCUSSION AND ANALYSIS

*All dollar amounts in this section are expressed in U.S. dollars unless otherwise indicated (see "Change in Functional and Presentation Currency"). In general, conversion from Canadian dollars to U.S. dollars is effective as of either the date of payment or, with respect to holdings, December 31, 2018.*

### Introduction

The components of compensation for executive officers of ECN Capital are base salary, short-term incentives and medium and long-term incentives. The short-term incentives are based on the results of an executive's scorecard and focused on operational performance measures. Medium and long-term compensation are mainly awarded through grants of ECN Capital PSUs, RSUs and options. ECN Capital PSUs have defined multi-year objectives including a component tied to total shareholder returns, as well as other appropriate operational measures. As discussed below under the heading "Long-Term Incentive Plan Descriptions – ECN Capital Share Unit Plan", the long-term incentive plan grant size can be increased based on exceptional performance. Short, medium and long-term incentives have base targets for payout, as well as a maximum target.

Overall compensation for executive officers will be evaluated and calculated based on a "total annual opportunity" and evaluated with reference to the executive officer's scorecard. The "total annual opportunity" is comprised of base salary, short-term incentives and long-term incentives, and will emphasize equity compensation components tied to the long-term performance of ECN Capital.

The C&CG Committee determined to award the NEOs with short-term incentives and long-term incentives based on the targets and criterion established by the C&CG Committee.

The following discussion describes the significant elements of the Corporation's executive compensation program for the 2018 financial year, with particular emphasis on the process for determining compensation payable to the named executive officers for the 2018 financial year ("NEOs"), being Messrs. Steven Hudson, Grier Colter, Jim Nikopoulos, Scott Shaw and Michael Lepore.

### Summary of Key Commitments and Changes Regarding Executive Compensation

In 2018, the Corporation committed to, and implemented, certain corporate cost reduction initiatives. In particular, following internal review and engagement and discussions with shareholders, certain senior executive management members offered to agree to a reduction in their executive compensation of between 12.5% to 20% in 2018, which allowed the Corporation to commit to and achieve targeted executive compensation reductions as part of its overall corporate cost reduction initiatives.

Following the C&CG Committee's review of executive compensation practices (in consultation with its independent compensation advisor) and feedback from shareholders, the Corporation also made certain changes to performance metrics applicable to annual performance bonus and medium-term and long-term incentives for its NEOs in 2018. These changes included: (i) increased emphasis on, and weighting of, quantitative metrics (total cost target, adjusted net income, earnings per share and credit rating maintenance, as applicable) relative to qualitative metrics (various components relating to strategic execution of the Corporation's key objectives for 2018) in the Compensation Performance Scorecards applicable to annual performance bonus for the CEO, CFO and President; (ii) increased emphasis on, and weighting of, the total shareholder return metric relative to the adjusted earnings per share metric applicable to medium-term and long-term incentives; and (iii) the reduction of the bandwidth for assessment of the total shareholder return metric applicable to medium-term and long-term incentives from +/- 15% in 2017 to +/- 10% in 2018.

Please see "Statement of Corporate Governance Practices – Shareholder Engagement" for additional information regarding the Corporation's on-going engagement with and feedback from ECN Capital's shareholders in 2018.

**Approach to Compensation**

ECN Capital's success is expected to be in large part due to the entrepreneurial drive of its management team, and we will structure executive compensation to maintain that spirit. The senior team are a highly qualified and proven leadership team with a substantial track record of success in the financial services industry.

We motivate ECN Capital executives to focus on the success of the Corporation by establishing a strong link between performance and compensation while building equity ownership. At the same time, we make sure compensation is in line with market practices, so we can attract executive talent when we need to, and keep and motivate the highly qualified and experienced team we have now and reward them appropriately. We have adopted the following principles:

- Focus on retaining highly qualified and experienced executives who have a proven track record of performance.
- Make sure compensation is fair, reasonable to shareholders, and takes into consideration what comparable organizations are paying for similar positions.
- Make a significant portion of total compensation variable and link it to individual, group and corporate goals and performance.
- Make an appropriate portion of total compensation equity based, further aligning the interests of our executives and shareholders.
- Foster pay for performance in order to deliver long-term results for our shareholders and compensate our executives competitively.
- Award a significant amount of equity-based compensation with performance based-vesting hurdles, further enhancing the pay for performance philosophy, and ensuring payouts are not guaranteed solely on the lapse of time.
- Emphasize long-term performance to better reflect the business and take the focus away from short-term performance that may not create long-term benefits and to mitigate risk.

- Maintain internal pay equity so executives in similar positions and locations are treated fairly.

- Give consideration to the Diversity Policy in our approach to compensation.

- Make sure compensation is transparent to the NEOs and to our shareholders.

- Make sure compensation programs are flexible to adjust to changing business needs, competitive environments and market practices.

We align pay with performance using a rigorous process. We strive to achieve superior performance relative to our industry (in the top quartile) and pay our executives at the same level. This motivates our executives, reward our shareholders, and help keep the focus on our long-term success.

*Say on Pay*

The Board determined to provide an advisory Say-on-Pay vote for shareholders in respect of its approach to executive compensation, and believes that shareholders should be guided by the information set out in the Compensation Discussion and Analysis section when considering how to vote on the resolution. The Board believes that the Corporation's compensation philosophy and system will be viewed positively by shareholders.

**Compensation Structure and Decision-Making Process**

Our compensation process starts at the beginning of every year, when we assess and confirm our philosophy, program guidelines and structure. At the end of every year, we apply a rigorous process to assess performance and award compensation. This includes individual, group and corporate performance reviews for each NEO, in consultation with our independent compensation consultant.

In 2018, our compensation structure and decision-making process are further guided by the Corporation's commitment and implementation of certain corporate cost reduction initiatives, which, following certain senior executive management members' offers to agree to reductions in their executive compensation of between 12.5% to 20%, included targeted executive compensation reductions of that range.

***At the beginning of the year***

*Review Structure*

- We review our overall compensation philosophy and structure for NEOs and recommend any changes to the Board for approval.

*Confirm Peer Group*

- We review and confirm the peer group of companies we use to: (i) compare our compensation structure and levels, and (ii) assess our performance when making compensation decisions. For this exercise, ECN Capital draws on the independent external governance and executive compensation advice of GGA in confirming the appropriateness of the peer group. See "Use of Independent Compensation Consultants" for additional information.

*Establish Performance Measures*

- The C&CG Committee works with the CEO and the Chairman to develop performance measures and levels that will be used to assess corporate performance and determine annual bonus payouts for the NEOs, including the detailed business plan approved by the Board. We monitor the Corporation's performance against these measures throughout the year.

*Assess Risk and Confirm Approach*

- We review the overall incentive plan design and the selected performance measures to: (i) consider potential payouts under different scenarios, (ii) ensure a balanced approach to risk, and (iii) ensure our decision-making process, incentive plans and compensation governance do not give executives incentive to take excessive risks or make inappropriate decisions.

***At the mid-year and end of each year***

*Review Performance*

- We review corporate performance at mid-year and at the end of the year. The Board and/or the C&CG Committee assess the performance of the NEOs throughout the year, during specific business reviews and Board committee meetings.

- The CEO, in conjunction with the Chairman and the C&CG Committee, completes a review of each NEO's individual performance (other than his own) against corporate and personal objectives and against targets.

*Consider Competitive Positioning*

- The independent consultant prepares a comprehensive report that includes: (i) market salary forecasts, (ii) compensation levels of our peer group at the 25th, 50th, 75th and 90th percentiles, and (iii) a comparison of each NEO's compensation against the market, to determine the executive's market position.

*Awards*

- The CEO reviews proposed compensation for each NEO using our pay for performance protocol, and recommends their annual bonuses, equity grants and the following year's salary.

- The C&CG Committee reviews each NEO's annual performance, competitive positioning, past compensation and the recommendations from the CEO, and discusses total compensation based on performance, market practice and board-approved compensation philosophy, consulting with our independent consultant.

- The C&CG Committee then recommends compensation for the CEO and other NEOs for final approval by the Board.

The C&CG Committee and Board believe the above process is comprehensive in providing a great amount of market intelligence and data to the C&CG Committee, while providing multiple touchpoints for

the C&CG Committee and Board to review compensation levels and corresponding performance to ensure the approach and awards remain appropriate and defensible.

**Use of Independent Compensation Consultants**

The C&CG Committee reviews NEO compensation packages annually to ensure that NEOs are being compensated in line with industry practices. To assist in executing its responsibilities, the C&CG Committee engages with independent compensation advisors.

The C&CG Committee has engaged GGA, an independent compensation advisor with significant executive compensation experience. GGA is independent of management, well qualified and represents the interests of shareholders when working for the C&CG Committee and the Board. GGA has assisted the C&CG Committee by (i) providing compensation research and data, and education on emerging trends and best practices, (ii) reviewing and making recommendations for ECN Capital's performance peer group, (iii) providing performance management planning, (iv) reviewing and designing incentive plans, and (v) conducting comprehensive compensation reviews of the compensation levels for the directors and officers. All work conducted by GGA is pre-approved by the C&CG Committee and GGA does not provide any non-Board approved services to ECN Capital. The C&CG Committee takes GGA's reports and recommendations, as provided, into consideration when assessing compensation structure and awards, but ultimately makes its own decisions and recommendations for the Board to approve.

Specifically, during 2018, GGA was retained to provide the C&CG Committee with advice and recommendations related to executive and director compensation programs for fiscal 2018. GGA's fees incurred for these services in 2018 and 2017 are as follows:

| Fiscal Year | Executive Compensation-Related Fees | All Other Fees |
|---|---|---|
| 2018 | $29,101 | Nil |
| 2017 | $21,192 | Nil |

**Benchmarking Compensation and Comparator Group**

The market for talent for ECN Capital's NEOs is largely North American as ECN Capital historically was equally likely to recruit executives from Canadian or U.S. companies. As the Corporation has grown and carried out its strategic objectives, it has become largely U.S. centric, thus impacting the recruitment and comparative needs, respectively.

During 2018, ECN Capital continued to implement its North American growth and centralization strategy. The peer group, was developed based on a multiple criteria approach, summarized below, that was forward looking to where the Board and Management view ECN Capital competing more heavily in the future rather than historically. In addition to the business transformation, the board also factored in the availability of senior experienced executive leaders with specific North American sector experience of the depth and calibre of ECN Capital's executive team is limited. The deep entrepreneurial profile and proven track record of the executive team adds significant rarity which limits "comparable" data availability. For this reason, primarily U.S. companies are included in the benchmark group. ECN Capital is aware that shareholder advisory firm policy prohibits the addition of U.S. peers as the Company does not file on a U.S. exchange and that may present a disconnect in the shareholder advisory firm's conclusions on executive compensation. The ECN Capital board has determined that it is more appropriate to establish the peer group based on the real competitive landscape ECN competes within, and as a result, shareholders will see that since ECN Capital is a largely U.S. centric company, the peer group is largely consisting of U.S. peers. In addition, several of ECN Capital's NEOs now reside in the U.S. after moving from Canada in order to

ensure ECN Capital's business growth is implemented efficiently. The Board recognizes that there are few publicly traded companies whose scope of operations are directly comparable to ECN Capital, or that have a similar profile of being a U.S. focused TSX listed issuer. As a result, the formation of the comparator group takes into account peers meeting the majority, but not all, of the following criteria: (i) the company's scope of operations; (ii) companies that compete within the North American specialty finance industry; (iii) companies of similar size and/or complexity (generally with reference to peer group companies with relative market capitalizations, total revenues and total assets ranging from between .25x to 4.0x of ECN's market capitalization, total revenues and total assets); (iv) companies that have comparable financial characteristics that investors view similarly; and (v) companies that are founder operated/controlled. Additional considerations relating to the formation of the peer group included input from GGA (see "– Use of Independent Compensation Consultants") and the peer group universe used by bank analysts covering the Corporation. In addition to the criteria, potential peers are selected or removed from the screening results based on excess market cap volatilities (high or low) and or whether they fall within ECN Capital's core service line.

The comparator group used in fiscal year 2018 for compensation benchmarking purposes was composed of the following companies:

| **Compensation Peer Group** | | |
|---|---|---|
| Air Lease Corporation | Air Castle Limited | Conduent Incorporated |
| Envestnet, Inc. | Fiera Capital Corporation | Greenhill & Co., Inc. |
| GreenSky, Inc. | Houlihan Lokey, Inc. | LendingClub Corporation |
| LendingTree, Inc. | Moelis & Company | PJP Partners Inc. |
| Walker & Dunlop, Inc. | | |

The Board also recognizes that certain of its third-party analysts use similar criteria in determining ECN Capital's peer group for comparison and evaluative purposes, underlining the importance of a focus on U.S. based peers within its comparator group. General survey data is incorporated within the benchmarking process to provide an added perspective. The survey data is used to complement the custom industry-specific analysis of the comparator group. General financial industry data provides an overview of compensation levels in the marketplace utilizing companies based on comparable size to ECN Capital. Together, the peer comparator group and general survey data from GGA inform the C&CG Committee's compensation decisions having regard to practices and actual payouts by peer group comparators.

The C&CG Committee annually reviews the approach to compensation benchmarking for the NEOs and make any necessary adjustments to the comparator group in order to ensure proper alignment.

**Compensation Components**

The executive compensation plan includes short-term and long-term compensation, and a benefits and perquisites package. There are no formal pension or other retirement plans at ECN Capital.

The following table explains how each component supports our compensation philosophy. We assess each element separately, and together these are considered total compensation. Short-term and long-term compensation together make up each executive's total direct compensation.

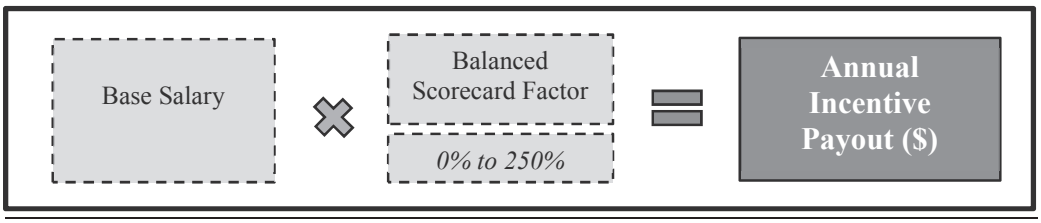
| Component | Objective/Rationale |
|---|---|
| **(A) Short-term Compensation** | • Awarded based on performance, the executive's position in the Corporation and relative to our peer group. |
| **(i) Base Salary** | • Forms the basis for attracting, comparing and remaining competitive with the market.<br>• Fixed, and used to determine other elements of compensation and benefits.<br>• Established at the beginning of the year taking into account the recommendations of our independent consultant. |
| **(ii) Annual Cash Bonus** | • Links pay to individual and corporate achievements.<br>• Variable, and paid in cash at the end of the year based on the previous year's performance. Bonuses are not paid unless a threshold level of performance is achieved with performance benchmarks being specified in detailed scorecards for each NEO.<br>• Typical target range of less than 1.0x base salary to 2.5x base salary. |
| **(B) Long-term Compensation** | • Links pay to long-term performance and promotes equity ownership.<br>• Awarded based on corporate performance, the executive's potential to contribute to our future success and the executive's position in the Corporation.<br>• Ultimate value is based on our share price over time.<br>• Options, RSUs, DSUs and PSUs.<br>• Target of 2.5x base salary and maximum of 4.0x base salary. |
| **(C) Other Compensation** | • Participation in ECN Capital's comprehensive group benefit plan.<br>• a taxable cash allowance for specific perquisites is provided to certain NEOs.<br>• There is no formal pension plan for the NEOs.<br>• Awarded based on the executive's position in the Corporation and relative to our peers.<br>• Other compensation is designed to be competitive overall with equivalent positions, to promote greater executive satisfaction through choice, and to manage program and administrative costs. |

**Base Salary**

Base salaries are intended to provide ECN Capital's NEOs with competitive base salaries. ECN Capital differentiates salary levels to reflect a NEO's performance, experience and responsibilities. Base salaries are reviewed annually, with any increases approved based on merit and in response to market changes. Additionally, base salaries may be changed as warranted throughout the year for promotions or other changes in the scope of a NEO's role and responsibilities.

**Short-Term Incentives – Annual Incentive**

An annual performance bonus is a short-term component of compensation. Annual performance bonus payments are linked to the performance of ECN Capital and the NEO's contribution to that performance, as well as personal performance of individual NEOs. This component is capped at 250% of base salary.




In 2018 the C&CG Committee approved a Compensation Performance Scorecard for certain senior executives, including the CEO, CFO and President, based on performance measures in some or all the following categories: (i) strategic execution objectives; (ii) cost reduction; (iii) successful divestiture of commercial and vendor finance assets and rail assets; and (iv) financial objectives.

The Compensation Performance Scorecard was designed to:

- Align with our strategic plan;
- Provide clear focus on key measures that will drive continued success of the business;
- Increase the proportion of quantitative measures; and
- Utilize measures that are readily understood by shareholders and publicly reported.

The overall Compensation Performance Scorecard metrics and their relative weighting for the 2018 fiscal year were as follows:

The overall Compensation Performance Scorecard metrics and their relative weighting for the 2018 fiscal year were as follows:

For the CEO:

| Metric | Target (100%, 1.25x) | Max (200%, 2.5x) | Actual Result |
|---|---|---|---|
| **Strategic Execution**<br>• Strategic leadership<br>• Capital deployment<br>• Stakeholder relations<br>• Credit/liquidity enhancements | 50% | 100% | **100%** |
| 2018 Total cost target | 10%<br>*($26,900,000)* | 20%<br>*($20,000,000)* | **8%**<br>*($28,600,000)* |
| 2018 Adjusted net income (before tax) | 20%<br>*($75,685,000)* | 40%<br>*($78,000,000)* | **40%**<br>*($79,090,000)* |
| 2018 Adjusted earnings per share (after prefs) | 20%<br>*($0.140)* | 40%<br>*($0.160)* | **40%**<br>*($0.166)* |
| **Payout** | | | **188%**<br>***($2,213,750)*** |

**Despite an achievement level of 188%, the CEO agreed to a 20% compensation reduction in 2018, resulting in a reduced bonus payout of $1,584,266.** See "– Summary of Key Commitments and

Changes Regarding Executive Compensation" and "Statement of Corporate Governance Practices – Shareholder Engagement" for additional information.

For the CFO:

| Metric | Target (100%, 1.25x) | Max (200%, 2.5x) | Actual Result |
|---|---|---|---|
| **Strategic Execution**<br>• Strategic leadership<br>• Capital deployment<br>• Stakeholder relations<br>• Credit/liquidity enhancements | 40% | 80% | **80%** |
| Credit rating maintenance | 10%<br>*(maintain rating)* | 20%<br>*(improve rating)* | **10%** |
| 2018 Total cost target | 10%<br>*($26,900,000)* | 20%<br>*($20,000,000)* | **8%**<br>*($28,600,000)* |
| 2018 Adjusted net income (before tax) | 20%<br>*($75,685,000)* | 40%<br>*($78,000,000)* | **40%**<br>*($79,090,000)* |
| 2018 Adjusted earnings per share (after prefs) | 20%<br>*($0.140)* | 40%<br>*($0.160)* | **40%**<br>*($0.166)* |
| **Payout** | | | **178%**<br>***($1,274,542)*** |

**Despite an achievement level of 178%, the CFO agreed to a 12.5% compensation reduction in 2018, resulting in a reduced bonus payout of $657,895.** See "– Summary of Key Commitments and Changes Regarding Executive Compensation" and "Statement of Corporate Governance Practices – Shareholder Engagement" for additional information.

For the President:

| Metric | Target (100%, 1.25x) | Max (200%, 2.5x) | Actual Result |
|---|---|---|---|
| **Strategic Execution**<br>• Strategic leadership<br>• Capital deployment<br>• Stakeholder relations<br>• Credit/liquidity enhancements | 50% | 100% | **100%** |
| Rail divestitures | 10%<br>*(BV 0.80-0.89x)* | 30%<br>*(BV 0.90x+)* | **20%**<br>*(BV 0.90x)* |
| 2018 Total cost target | 5%<br>*($26,900,000)* | 10%<br>*($20,000,000)* | **4%**<br>*($28,600,000)* |
| 2018 Adjusted net income (before tax) | 20%<br>*($75,685,000)* | 40%<br>*($78,000,000)* | **40%**<br>*($79,090,000)* |
| 2018 Adjusted earnings per share (after prefs) | 15%<br>*($0.140)* | 30%<br>*($0.160)* | **30%**<br>*($0.166)* |
| **Payout** | | | **194%**<br>***($1,644,355)*** |

**We note that Mr. Nikopoulos' total compensation in 2018 reflects a 12.5% decrease from 2017.** See "– Summary of Key Commitments and Changes Regarding Executive Compensation" and "Statement of Corporate Governance Practices – Shareholder Engagement" for additional information.

For other NEOs:

- Mr. Shaw's annual performance bonus is comprised of (i) a discretionary bonus, as determined by the Board, based on The Kessler Group achieving certain targeted pre-tax net income results, and (ii) an incremental performance-based bonus, which is based on the achievement of certain Board established performance targets for The Kessler Group, including the achievement of certain

revenue and management income amounts for credit card partnership programs over which he has executional responsibility.

- Mr. Lepore's annual performance bonus is comprised of a discretionary bonus, as determined by the Board, based upon the achievement of individual and corporate performance objectives established from time to time by the President, the Chief Executive Officer and the Chief Financial Officer of the Corporation, which for 2018 included the achievement of strategic execution initiatives (as set out in the chart for the CFO above), the integration of reporting processes for acquisitions closed in the year, and the maintenance of the control environment of the Corporation and its operating subsidiaries (including the management of the internal audit function), along with achievement of certain other Board established performance targets. This component of his compensation is targeted at 50.0% of his base salary, subject to Board discretion and achievement of the aforementioned objectives.

Our Scorecard Metric "Strategic Execution" is directly linked to the Corporation's 2018 strategic priorities and core principles.

| Strategic Execution Metrics | Target | Actual Performance | % Achievement[1] |
|---|---|---|---|
| **Strategic Leadership** | • Executing adaptive strategy, including transition to asset light asset management model.<br>• Recognizing and responding to market changes to maximize profitability and scale while maintaining robust risk management. | • Successfully completing the Corporation's transition to an asset manager that owns a portfolio of business services providers that operate under a fee-based, asset-light model through which it originates, manages and advises on prime credit portfolios to a growing network of U.S. banks and credit unions.<br>• With the completion of the Corporation's strategic initiative, ECN Capital had over $31 billion in managed and advisory portfolios, following originations in 2018 of $1.8 billion. These originations under the Corporation's new asset light business model in its three new business verticals contributed adjusted net income from continuing operations of $46.4 million in 2018, or $0.11 per common share and resulted in adjusted EBITDA of $97.5 million for 2018.<br>• The Corporation's commitment to, and implementation of, certain corporate cost reduction initiatives. In particular, senior executive management team led by example by agreeing to a reduction in their executive compensation of between 12.5% to 20% in 2018 (including a 20% reduction for the CEO), which allowed the Corporation to commit to and achieve targeted executive compensation reductions for 2018. | **100%** |
| **Capital Deployment Initiatives (including Strategic Acquisitions)** | • Redeploying capital into higher return, higher growth businesses that require less capital.<br>• Focused on acquiring business services providers with origination and servicing franchises that offer unique value propositions.<br>• Capturing the opportunity for the Corporation to reassess capital requirements following its transition to an asset-light business, and returning capital to shareholders in an equitable and efficient manner. | • Completed the Corporation's acquisition of an 80% interest in The Kessler Group, which provided the Corporation with its third core business services platform.<br>• Reassessed the Corporation's capital requirements following its transition to an asset-light business and successfully completing a CAD$115 million substantial issuer bid on April 16, 2018 and launching a subsequent CAD$265 substantial issuer bid on December 5, 2018, which was successfully completed on January 15, 2019.<br>• Providing the Corporation the ability to increase its quarterly common share dividend to $0.02 per share based on the improved and growing earnings profile following successful transition to asset-light business model. | **100%** |
| **Stakeholder Relations** | • A consistent focus on specialty finance, principally originating, managing and advising on prime credit portfolios, resulting in unequalled industry experience and relationships. | • Following completion of business transformation, ECN Capital now has managed and advisory assets of approximately $31 billion and has grown its customer base to include more than 90 banks and credit union | **100%** |

| Strategic Execution Metrics | Target | Actual Performance | % Achievement[1] |
|---|---|---|---|
| | • Building partnerships and developing relationships (rather than competing) with U.S. financial institutions ranging from large national banks, credit unions and local community banks through the Corporation's transition to an asset-light model that provides business services to partners through its portfolio companies.<br>• Providing origination and servicing partners modest capital and the knowledge and scale to help grow their businesses within their large addressable markets.<br>• Continuing active engagement with the Corporation's shareholders. | partners, who it partners with rather than competes against.<br>• Successfully deepening relationships with key partners with a view to expanding partnership relationships to more than one solution.<br>• Continuing to develop its exclusive manufacturer relationships in attractive end market verticals that bring proven dealer networks to drive volume at low cost.<br>• On-going engagement with stakeholders, including meeting with shareholders representing approximately 10% of our overall shareholders and 30% of our actively managed institutional shareholder base, to obtain feedback on key topics relating to corporate governance practices, executive compensation, financial performance and other matters, and reflecting shareholder feedback in the Corporation's goals, initiatives and commitment. | |

(1) Refer to "Key Business Developments" section of the Management Discussion & Analysis publicly filed on February 27, 2019 for a summary of the Corporation's strategic progress and achievement in 2018. Refer also to the Corporation's "Investor Day" presentation publicly filed on January 29, 2019 for an overview of ECN Capital's core U.S. business operations.

By placing a significant weighting on achieving our key financial objectives and total shareholder return for ECN Capital (against the S&P/TSX Composite Index benchmark), the C&CG Committee believes that the annual incentive plan is closely aligned with shareholder interests.

**Longer-Term Incentives (PSUs, RSUs and Options)**

Medium-term and long-term incentives are intended to provide ties between executive compensation and performance of the Corporation. These incentives also strengthen retention and reinforce alignment with shareholder value. PSUs, RSUs and/or Options are granted annually to executives based on level, individual performance, potential and market competitiveness. As these incentives comprise the majority of a senior executive's total compensation, target award levels are benchmarked annually to ensure competitiveness with the external market having regard to practices and actual payouts by peer group comparators.

ECN Capital can issue PSUs and RSUs as medium-to-longer term incentives. PSUs are phantom shares that fluctuate with the price of Common Shares. PSUs vest within three years and pay out at the end of the vesting period, subject to the achievement of performance conditions. PSUs are designed to focus executives on key measures of business success. Please see "Additional Disclosure – Longer-Term Incentive Plan Descriptions – ECN Capital Share Unit Plan" for a detailed description of ECN Capital's PSU and RSU plan.

In line with executive compensation best practices, the Corporation intends to issue all long-term equity incentive awards subject to vesting schedules of at least three years and, where applicable, the achievement of performance conditions, other than in limited and exceptional circumstances.

| Annual Metrics | Weight | Threshold | Target | Maximum |
|---|---|---|---|---|
| Adjusted after tax earnings per share to common shareholders (after pref share dividends)[1] | 50% | 2019 – US$0.1205[2]<br>(50% achievement) | 2019 – US$0.241[2]<br>(100% achievement) | 2019 – US$0.482 [2]<br>(200% achievement) |

| Annual Metrics | Weight | Threshold | Target | Maximum |
|---|---|---|---|---|
| Total shareholder return (ECN vs. S&P/TSX Composite Index) | 50% | -10% (90% achievement) | Equal to S&P/TSX Composite Index (100% achievement) | +10% (110% achievement) |

(1) Achievement below target and at or above threshold will be paid on a proportionate basis between threshold (50% payout) and target (100% payout). Achievement above target will be paid on a proportionate basis up to maximum (200% payout).
(2) 2020 and 2021 to be determined based on Board approved annual budget for each year. Please refer to "Non-IFRS and Other Performance Measures" in ECN Capital's Annual MD&A for the year ended December 31, 2018 for a description of how ECN Capital calculates adjusted after tax earnings per share and for a reconciliation to net income per share.

In 2018, the Corporation achieved a rolling 3-year total shareholder return (since inception) of more than 110% against the S&P/TSX Composite Index benchmark, being the maximum target.

**Additional Benefit Plans**

*Pension Plan Benefits*

As at December 31, 2018, ECN Capital did not have a formal pension plan or any other plan that provides payment or benefits at, following or in connection with retirement.

*Perquisites*

The NEOs are entitled to participate in all employee benefit plans offered by ECN Capital to its Canadian and U.S. employees, as applicable, including ECN Capital's comprehensive group benefit plan administered by Manulife Financial.

**Risk Assessment of Compensation Programs**

The Board (through the C&R Committee) has overall responsibility for the oversight of the Corporation's risk management, including in relation to all aspects of compensation. In this regard, the Board oversees the Corporation's compensation programs to ensure they do not encourage individuals to take inappropriate or excessive risks that could have a materially adverse effect on the Corporation. The Board, together with the C&CG Committee, considered the compensation programs of the Corporation to ensure that controls are in place to monitor and separate decision authorities related to key risks associated with the Corporation's compensation and incentive plans. The Board and the C&CG Committee each also sought to ensure that the size of the rewards related to any given metric within the influence of a key decision maker was not significant enough to encourage excessive risk taking, and that the Corporation's compensation policies and practices are unlikely to have a materially adverse impact on the Corporation.

**Equity Ownership Requirements**

In respect of the executives, the Corporation has adopted a formal equity ownership policy to ensure that senior executives of the Corporation acquire and hold a meaningful equity ownership interest in the Corporation. Executives governed by the policy include the NEOs and such other executives as designated by the C&CG Committee. Under the policy, each executive shall attain and maintain the following equity ownership levels in the Corporation:

| Position | Multiple of Base Salary |
|---|---|
| CEO | 5.0x |

| Position | Multiple of Base Salary |
|---|---|
| CFO and President | 3.0x |
| Other NEOs | 2.0x |

Executives have one year from becoming subject to the policy to meet these requirements. When calculating the value of any Common Share held, the share price to be used will be the greater of the original cost and the volume weighted market price for the Common Shares for the five trading days preceding the measurement date. PSUs and RSUs count toward satisfying the minimum holdings above.

Executives who have passed their achievement due date and who have not achieved their ownership requirements by the end of that year will automatically have 50% of their annual incentive compensation for the upcoming performance year paid in Common Shares, PSUs or RSUs. All executives subject to the policy are currently in compliance with the equity ownership requirements, holding in each case equity ownership interests which significantly exceed the policy's equity ownership requirements.

| NEO | Total Value of Securities (Common Shares/PSUs/RSUs)(1) | Total as Multiple of Base Salary |
|---|---|---|
| Steven K. Hudson | $36,379,588 | 37.8x |
| Grier Colter | $2,679,682 | 4.5x |
| Jim Nikopoulos | $8,013,397 | 12.2x |
| Scott Shaw | $2,580,351 | 4.3x |
| Michael Lepore | $1,398,481 | 5.6x |

(1) Represents total number of Common Shares, PSUs and RSUs held by the NEO as at December 31, 2018. The market value of Common Shares, PSUs and RSUs is based on the closing price of the Common Shares on the TSX on December 31, 2018 and converted to U.S. dollars based on a 1.364 USD/CAD exchange rate on December 31, 2018.

**Clawbacks**

The Corporation has a clawback policy which provides the Board with discretion to recover any and all incentive compensation received or realized by a NEO if there is an incidence of misconduct by such executive resulting in the need for the Corporation to publicly issue an accounting restatement of all or a portion of its interim or annual financial statements. Misconduct is characterized as gross negligence, intentional misconduct, fraud or other misconduct or wilful act engaged in by the applicable executive which resulted in the financial restatement by the Corporation.

**Anti-Monetization**

Pursuant to ECN Capital's Insider Trading Policy, directors and executive officers of ECN Capital are expressly prohibited from, directly or indirectly, undertaking any activities or engaging in trades in securities whereby the interests of such person making the trade are not aligned with those of ECN Capital (or would raise a particular concern regarding the same), including, but not limited to, purchasing financial instruments that are designed to hedge or offset a decrease in the market value of ECN Capital's Common Shares or other equity securities granted as compensation or otherwise held.

**Summary Compensation Table**

The following table sets forth information regarding compensation earned by the NEOs since ECN Capital became a reporting issuer on October 3, 2016, it being noted that all amounts disclosed for 2016 have been pro-rated and are reflected as of October 3, 2016.

Following internal review and engagement and discussions with shareholders, certain senior executive management members offered to agree to a reduction in their executive compensation of between 12.5% to 20% in 2018, which allowed the Corporation to commit to and achieve such targeted executive compensation reductions in 2018.

| Name and principal position | Fiscal Year | Salary ($)[1] | Share-based awards ($) | Option-based awards ($)[2] | Non-equity incentive plan compensation ($)[3] | | All other compensation ($)[4] | Total compensation ($) |
|---|---|---|---|---|---|---|---|---|
| | | | | | Annual incentive plans | Long-term incentive plans | | |
| Steven K. Hudson[5][6] *Chief Executive Officer* | 2018 | 962,500 | 1,285,948[7] | 414,412 | 1,584,266 | — | — | 4,247,126 |
| | 2017 | 674,114 | 1,636,661 | 1,029,272 | 1,704,855 | — | 264,006[9] | 5,308,908 |
| | 2016 | 247,196 | — | 760,269 | 730,351 | — | — | 1,737,816 |
| Grier Colter[10] *Chief Financial Officer* | 2018 | 601,323 | 935,235[7] | 97,509 | 660,876[8] | — | — | 2,294,943 |
| | 2017 | 424,371 | 783,259 | 329,367 | 1,095,978 | — | — | 2,632,975 |
| | 2016 | — | — | — | — | — | — | — |
| Jim Nikopoulos[5][11] *President* | 2018 | 657,742 | 1,169,044[7] | 414,412 | 1,644,355 | — | — | 3,885,553 |
| | 2017 | 587,442 | 1,202,556 | 1,152,784 | 1,510,015 | — | — | 4,452,797 |
| | 2016 | 65,544 | — | 651,698 | 644,207 | — | — | 1,361,450 |
| Scott Shaw[12] *President, Kessler Financial Services, LLC ("The Kessler Group")* | 2018 | 350,000 | 1,500,000 | — | 1,459,980 | — | — | 3,309,980 |
| | 2017 | — | — | — | — | — | — | — |
| | 2016 | — | — | — | — | — | — | — |
| Michael Lepore *Senior Vice President, Controller* | 2018 | 250,744 | 755,173[13] | 73,132 | 350,000 | — | — | 1,429,049 |
| | 2017 | 125,193[14] | 350,783 | 87,665 | 93,985 | — | — | 657,626 |
| | 2016 | — | — | — | — | — | — | — |

(1) Salary amounts are converted to U.S. dollars based on a 1.296, 1.298, and 1.335 average USD/CAD exchange rate in 2018, 2017 and 2016, respectively. 2016 base salary amounts have been prorated to each NEO's start date of October 3, 2016. Mr. Hudson's total 2016 compensation was CAD$3,490,000, including a base salary of CAD$1,320,000. Mr. Hudson did not receive any short-term or long-term incentive payments from EFN in 2016. Effective January 1, 2017, Mr. Hudson's base salary was reduced to CAD$875,000 and then to $962,500 effective January 1, 2018.

(2) ECN Capital determined the grant date fair values using the Black-Scholes option valuation model. The Black-Scholes option valuation model takes into account an option's exercise price, its expected life, a risk-free interest rate and the expected volatility. For the fiscal year ended December 31, 2018, the grant date fair values were determined based on a Black-Scholes option value of CAD$0.64 (assuming an average exercise price of CAD$3.53, a 4 year term, a risk free rate of 2.2%, volatility of 22%, and an expected annual dividend yield of CAD$0.04 per share) and converted to U.S. dollars based on a 1.313 USD/CAD exchange rate on August 13, 2018.

(3) As determined by the C&CG Committee of the Board. See section entitled "Compensation Discussion and Analysis' – Compensation Components."

(4) During the 2016, 2017 and 2018 fiscal years, no NEO received perquisites that, in the aggregate, were in excess of (i) 10% of base salary or (ii) CAD$50,000, unless otherwise noted. For the CEO, the disclosed prerequisite was eliminated effective January 1, 2018.

(5) Messrs. Hudson and Nikopoulos also met certain performance measures during the 2018 financial year which resulted in the achievement of 45% of the respective cumulative base amount of their respective cumulative lump sum retirement allowance upon retirement, the remaining 55% of which is subject to vest at a later date contingent on the achievement of a rolling 3-year ECN Capital total shareholder return target. No amounts were paid by the Corporation to Messrs. Hudson and Nikopoulos in 2018 and will only be payable by the Corporation upon their retirement. In addition, 75% of the amounts that will payable by the Corporation to Messrs. Hudson and Nikopoulos upon retirement were funded by EFN in 2017 at their net present value pursuant to EFN's obligation to reimburse such payments. Please refer to "Termination, Retirement and Change of Control Benefits for NEOs" for additional information.

(6) In connection with ECN Capital's shift to more U.S. focused operations, Mr. Hudson's employment agreement was amended and restated effective February 26, 2018, at which time Mr. Hudson also entered into a new employment agreement with ECN Holdings (as defined below). Mr. Hudson's employment agreements were further amended by the terms of the Set-Off Agreement (as defined below). See section entitled "Termination, Retirement and Change of Control Benefits for NEOs - Employment Agreements of Messrs. Hudson and Nikopoulos."

(7) Converted to U.S. dollars based on a 1.2831 USD/CAD exchange rate on February 28, 2019.

(8) Converted to U.S. dollars based on a 1.324 USD/CAD exchange rate on February 15, 2019.

(9) Reflects amounts paid to Mr. Hudson during fiscal 2017 as part of ex patriate relocation program and in respect of travel and other costs incurred in connection with, among other things, extensive review and evaluation of numerous acquisition targets, the 2017 divestitures and the initial on-boarding and integration of its successful acquisitions. This program has been discontinued as of January 1, 2018 and no further amounts will be paid or payable by the Corporation.

(10) Mr. Colter became CFO of ECN Capital on March 7, 2017, following the retirement of ECN Capital's prior CFO. Mr. Colter's base salary was increased from CAD$400,000 to CAD$725,000 effective July 1, 2017, and then to CAD$779,395 effective January 1, 2018.

(11) Mr. Nikopoulos' base salary was increased from CAD$725,000 to CAD$775,000 effective April 1, 2017, and then to CAD$852,500 effective January 1, 2018.

(12) Mr. Shaw joined ECN Capital as President of The Kessler Group on June 1, 2018 upon the completion of the acquisition of The Kessler Group by the Corporation. Mr. Shaw's 2018 base salary and non-equity incentive compensation set out in this chart have been pro-rated from June 1, 2018. Mr. Shaw's incentive plan compensation for 2018 was principally based upon his achievement of certain significant performance conditions set out in legacy incentive arrangements with The Kessler Group that the Corporation agreed to honour as part of the Kessler Acquisition. Mr. Shaw received a one-time grant of PSUs in the amount of $1,500,000 in connection with the acquisition of The Kessler Group by the Corporation.

(13) Converted to U.S. dollars based on a 1.324 USD/CAD exchange rate on November 14, 2018. In 2018, Mr. Lepore received a one-time grant of PSUs in the amount of $771,605, of which one third ($257,202) vested and was paid in 2018. This one-time award is part of a relocation package relating to Mr. Lepore's planned relocation to the United States in the Spring of 2019 and is intended to reward his performance in 2018 and promotion within the finance group.
(14) Mr. Lepore's compensation for 2017 reflects a July 1, 2017 start date.

## Incentive Plan Awards

### *Outstanding option-based and share-based awards*

The following table sets out, for each NEO, information concerning all option-based awards outstanding as of December 31, 2018.

| Option-based Awards | | | | |
|---|---|---|---|---|
| **Name** | **Number of securities underlying unexercised options (#)** | **Average option exercise price (CAD$)** | **Option expiration dates** | **Value of unexercised in-the-money options(1) ($)** |
| Steven K. Hudson | 7,349,946 | 2.70 | 2019-2026 | 4,085,718 |
| Grier Colter | 600,000 | 3.51 | 2023-2026 | 0 |
| Jim Nikopoulos | 4,397,425 | 3.19 | 2019-2026 | 937,492 |
| Scott Shaw | Nil | NA | NA | NA |
| Michael Lepore | 300,000 | 3.73 | 2023-2026 | Nil |

(1) Represents the intrinsic value of all vested Options based on the closing price of the Common Shares on the TSX on December 31, 2018 and converted to U.S. dollars based on a 1.364 USD/CAD exchange rate on December 31, 2018.

### *Value Vested or Earned During the Year*

The table below sets out the option-based, share-based and non-equity based incentive plan amounts vested or earned in 2018.

| Name | Option-based awards – Value vested during the year(1) ($) | Share-based awards – Value vested during the year(2) ($) | Non-equity incentive plan compensation – Value earned during the year ($) |
|---|---|---|---|
| Steven K. Hudson | 356,048 | 511,716 | 1,584,266 |
| Grier Colter | 0 | 1,618,271 | 660,876(3) |
| Jim Nikopoulos | 297,426 | 375,989 | 1,644,355 |
| Scott Shaw | NA | 438,470 | 1,459,980 |
| Michael Lepore | Nil | 358,571 | 350,000 |

(1) Options vested during the year based on the intrinsic value of options based on the closing price of the Common Shares on the TSX on December 31, 2018 and converted to U.S. dollars based on a 1.364 USD/CAD exchange rate on December 31, 2018.
(2) Converted to U.S. dollars based on a 1.364 USD/CAD exchange rate on December 31, 2018.
(3) Converted to U.S. dollars based on a 1.324 USD/CAD exchange rate on February 15, 2019.

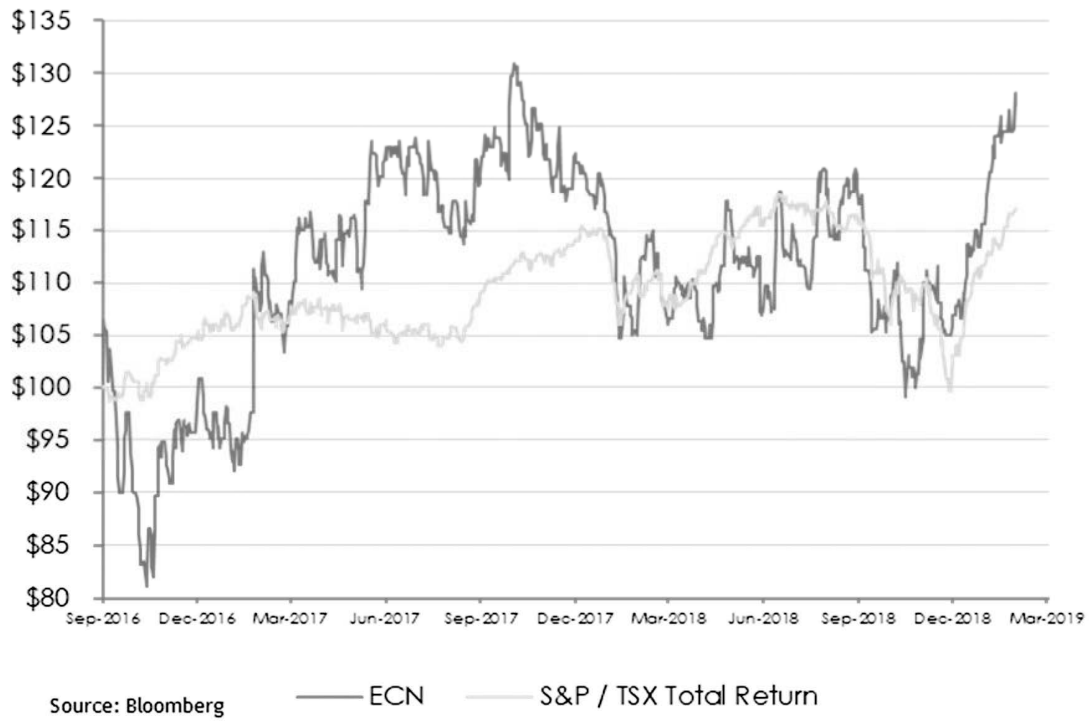
## Equity Compensation Plan Information

The following table sets out the number of Common Shares issuable pursuant to the Option Plan, and the weighted-average exercise price of the outstanding Options.

| Plan Category | Number of Securities to be Issued upon Exercise of Options (as at December 31, 2018) (a) | Weighted – Average Exercise Price of Outstanding Options (as at December 31, 2018) (CAD$) (b) | Number of Securities Remaining Available for Future Issuance Under the Option Plan (excluding securities reflected in (a)) (as at December 31, 2018) (c) |
|---|---|---|---|
| Equity Compensation Plans Approved by Securityholders | 31,698,375 | 2.94 | Nil |
| Equity Compensation Plans Not Approved by Securityholders | – | – | Nil |

**Performance Graph**

The following graph shows the changes in the cumulative total shareholder return for $100 invested in the Common Shares on September 28, 2016, when the Common Shares were listed and posted for trading on a "*when issued*" basis on the TSX, to February 22, 2019 and is compared against the cumulative total shareholder returns of the S&P/TSX Composite Index, assuming the reinvestment of all dividends. The performance as set out in the graph does not necessarily indicate future price performance.



During the period from September 28, 2016 (when the Common Shares began trading on a "*when issued*" basis on the TSX) to February 22, 2019, total shareholder returns for ECN Capital increased by 23.95%.

**Termination, Retirement and Change of Control Benefits for NEOs**

The employment agreements that ECN Capital has entered into with its NEOs may require ECN Capital to make certain types of payments and provide certain types of benefits to the NEOs upon retirement, termination or expiry of the employment agreements, including following a change of control of the Corporation. No other amounts are payable to the NEOS other than as described below. There are no formal pension or other retirement plans at ECN Capital except as described below for Messrs. Hudson and Nikopoulos.

*Employment Agreements of Messrs. Hudson and Nikopoulos*

*All amounts set out under this section have been converted to U.S. dollars based on a 1.364 USD/CAD exchange rate on December 31, 2018.*

Steven K. Hudson and Jim Nikopoulos each agreed to enter into new executive employment contracts with ECN Capital in connection with the Separation Transaction. Each employment agreement provided for a five-year term and recognized the service and certain rights and entitlements each executive had in respect of his prior employment with EFN. Messrs. Hudson and Nikopoulos entered into employment agreements with ECN Capital effective October 3, 2016. In connection with ECN Capital's shift to more U.S. focused operations, Mr. Hudson's employment agreement was amended and restated effective February 26, 2018, at which time Mr. Hudson also entered into a new employment agreement with ECN Holdings (US) Corp. ("ECN Holdings"), a wholly-owned U.S. subsidiary of ECN Capital. The employment agreements of Messrs. Hudson and Nikopoulos were further amended by the terms of a set-off and employment agreement amending agreement entered into with ECN Capital and ECN Holdings, effective December 31, 2018 (the "Set-Off Agreement").

Each employment agreement will continue until October 2, 2021 (the "Term"), subject to early termination of employment (including following a change of control) prior to the end of the Term. The employment agreements for Messrs. Hudson and Nikopoulos will expire at the end of the Term. In recognition of their prior service at EFN[1] and their employment with ECN Capital under the new employment agreements, each of Messrs. Hudson and Nikopoulos will be provided with, among other benefits, a retiring allowance upon expiry of the agreements. Specifically, in connection with the cessation of employment at the end of the Term, ECN Capital or ECN Holdings, as applicable, will provide each of Messrs. Hudson and Nikopoulos with the following compensation and benefits:

(a) certain accrued but outstanding amounts that have been accrued up to the end of the Term but remain unpaid;

(b) a lump sum retiring allowance: (i) to Mr. Hudson from ECN Capital in the amounts of $696,481 multiplied by eight years (representing the seven years Mr. Hudson served as an executive of EFN, together with the first year that Mr. Hudson served as an executive of ECN Capital), and $139,296 multiplied by four years (representing the four years Mr. Hudson has agreed to serve as an executive of ECN Capital), and in the amount of $557,185 from ECN Holdings multiplied by four years (representing the four years Mr. Hudson has

[1]Mr. Hudson served as Chief Executive Officer of EFN for seven years and Mr. Nikopoulos served as Senior Vice President, General Counsel and Corporate Secretary of EFN for five years.

agreed to serve as an executive of ECN Holdings); and (ii) to Mr. Nikopoulos from ECN Holdings in the amounts of $238,270 multiplied by five years (representing the five years Mr. Nikopoulos served as an executive of EFN) and $531,525 multiplied by five years (representing the first two years Mr. Nikopoulos served as an executive of ECN Capital, and the three years he has agreed to serve as an executive of ECN Holdings and ECN Capital), provided that, for each of the four years that Messrs. Hudson and Nikopoulos have agreed to serve for ECN Capital (and three years in respect of ECN Holdings for Mr. Nikopoulos), such amounts shall vest in equal amounts for each year served during such annual year periods, and such annual proportionate vesting shall be subject to the achievement of prescribed performance scorecards and a rolling 3-year ECN Capital total shareholder return threshold (provided that, in recognition of the fact that total shareholder return results are only available for ECN Capital since October 3, 2016, the utilization of the rolling 3-year ECN Capital total shareholder return threshold targets shall be introduced as such information and data points become available, over the course of the applicable annual period), consistent with the Corporation's undertaking to amend such terms of their employment arrangements. The vesting of the applicable amounts in 2018 was based on the achievement of the prescribed performance scorecard metrics, which include the ECN Capital total shareholder return target for 2018. For fiscal 2018, Messrs. Hudson and Nikopoulos achieved full vesting of the 2018 amount at risk;

(c) consulting fees of $1,319,648 and $641,496 per year for a two-year period following the expiry of the Term for Messrs. Hudson and Nikopoulos, respectively, provided that, such consulting fees shall be conditional upon the performance by such individuals of the agreed upon consulting duties specified in the respective consulting agreement, which it is expected will include strategic planning and M&A related advice and expertise, and the achievement of prescribed ECN Capital total shareholder return targets set out in such consulting agreement over the term of the consulting arrangements, the exceeding of which do not result in payments over the specified amounts. Although ECN Capital, or ECN Holdings as applicable, will only enter into such consulting agreements on the cessation of the employment of Messrs. Hudson and Nikopoulos, Messrs. Hudson and Nikopoulos have agreed that such arrangements shall require that full payment of the consulting fees shall be conditional upon the achievement of ECN Capital total shareholder return targets set at the time of entering into such consulting agreements taking into account, among other things, market conditions and other prevailing factors; and

(d) a cash bonus for the year during which the Term ends prorated to the end of the Term, calculated and paid by ECN Capital in the normal course.

In the circumstances where a NEO's employment agreement with ECN Holdings expires at the end of the Term, the NEO will also continue to participate in the ECN Capital benefit plans (excluding disability coverage) in which such NEO participated on the date immediately preceding the end of the Term, until the second anniversary of the end of the Term, and will receive reimbursement for career transition and related services received within a period of two years following the end of the Term, to a maximum annual amount of $14,663 for Mr. Hudson, and $18,328 for Mr. Nikopoulos, respectively. In the circumstances where Mr. Hudson's employment agreement with ECN Capital expires at the end of the Term, Mr. Hudson will be eligible to receive a lump sum payment equal to the two year premium costs for benefits comparable to those provided to other senior executives of the Corporation that are not otherwise covered by ECN Capital's benefit plans, and will receive reimbursement for career transition and related services within a period of two years following the end of the Term, to a maximum annual amount of $3,666. Pursuant to the Separation Agreement, EFN agreed to reimburse 75% of any amounts paid by ECN Capital to Messrs. Hudson and Nikopoulos in respect of any retiring allowance under their employment agreements with ECN

Capital, up to a maximum of $8,247,801 and $4,508,798, respectively, in recognition of such executives' prior service with EFN. These amounts were funded by EFN in 2017 at their net present value.

ECN Capital is permitted to terminate the employment of Mr. Hudson or Mr. Nikopoulos without notice or pay in lieu thereof, at any time, for just cause. In such event, ECN Capital will pay the applicable NEO his base salary, accrued vacation and outstanding expenses up to the date of termination of employment. However, in the event that ECN Capital terminates the employment agreement of Mr. Hudson for just cause on grounds other than a malfeasance event (a "Malfeasance Event", defined as an event where as a result of the gross negligence, intentional misconduct, fraud or other misconduct or wilful act engaged in by the NEO, the Corporation is required to publicly issue an accounting restatement due to material non-compliance with any financial reporting requirement), ECN Capital will provide a lump sum retiring allowance to Mr. Hudson equal to $696,781 for each of the first eight years that Mr. Hudson served as an executive of ECN Capital or EFN, and up to $139,296 (subject to annual vesting based on the achievement of certain prescribed performance metrics including shareholder return targets) for each of the four remaining full or partial years in which Mr. Hudson served as an executive of ECN Capital. In the event that ECN Holdings terminates the employment agreement of Mr. Hudson for just cause on grounds other than a Malfeasance Event, ECN Holdings will provide a lump sum retiring allowance to Mr. Hudson of up to $557,185 (subject to annual vesting based on the achievement of certain prescribed performance metrics including shareholder return targets) for each full or partial year Mr. Hudson served as an executive of ECN Holdings. If the foregoing termination would have occurred on December 31, 2018, then Mr. Hudson would have been entitled to receive a payment equal to an estimated $696,481 multiplied by eight years and $139,296 multiplied by one year from ECN Capital, and $557,185 multiplied by one year from ECN Holdings. In the event that ECN Holdings terminates the employment agreement of Mr. Nikopoulos for just cause on grounds other than a Malfeasance Event, ECN Holdings will provide a lump sum retiring allowance to Mr. Nikopoulos in the amount of $238,270 for each of the five years that Mr. Nikopoulos served as an executive of EFN. If the foregoing termination would have occurred on December 31, 2018, then Mr. Nikopoulos would have been entitled to receive a payment equal to an estimated $238,270 multiplied by five years from ECN Holdings.

In the event that Mr. Hudson resigns without Good Reason (as defined in his employment agreements) he shall be entitled to a lump sum retiring allowance: (i) from ECN Holdings of up to $512,610 for each year employed by ECN Holdings from January 1, 2018 to January 1, 2020, and up to $690,909 for January 1, 2021; and (ii) from ECN Capital of up to $1,072,581 for each year employed by ECN Capital from January 1, 2017 to January 1, 2020, and up to $1,838,710 for January 1, 2021; including the *pro-rata* portions of any entitlement for any partially completed year. In the event that Mr. Nikopoulos resigns without Good Reason (as defined in his employment agreement) he shall be entitled to a lump sum retiring allowance of up to $673,570 for each year employed by ECN Holdings from January 1, 2017 to January 1, 2020 and up to $1,154,692 for January 1, 2021, including the *pro-rata* portions of any entitlement for any partially completed year.

Pursuant to the terms and conditions of their employment agreements, if the employment of Mr. Hudson or Mr. Nikopoulos is terminated without just cause, as a result of disability or the NEO resigns for Good Reason, then ECN Capital and ECN Holdings, as applicable, must provide such NEO with a payment equal to the sum of: (a) certain accrued but outstanding amounts that have been accrued up to the date of termination but remain unpaid; (b) a retiring allowance for Messrs. Hudson and Nikopoulos in the same amounts payable at the end of the Term (in one lump sum payment); and (c) a cash bonus for the year of termination, calculated as follows: (i) if the termination date occurs during the first nine months of a calendar year, the pro-rated amount equal to the average of the cash bonuses paid by ECN Capital or ECN Holdings, as applicable, to such NEO in the two fiscal years prior to the date of termination of employment, or (ii) if the termination date occurs during the last three months of a calendar year, the pro-rated amount calculated and paid by ECN Capital or ECN Holdings, as applicable, to such NEO in the normal course.

In the circumstances where a NEO is terminated without just cause or due to disability or resigns for Good Reason from ECN Holdings, the NEO will also continue to participate in the ECN Capital benefit plans (excluding disability coverage) in which such NEO participated on the date immediately preceding the date of termination of employment until the second anniversary of such date of termination of employment, and will receive reimbursement for career transition and related services received within a period of two years following termination of employment, to a maximum annual amount of $14,663 for Mr. Hudson, and $18,328 for Mr. Nikopoulos, respectively. Under his employment agreement with ECN Capital, Mr. Hudson will also be eligible to receive from a lump sum payment equal to the two year premium costs for benefits comparable to those provided to other senior executives of the Corporation that are not otherwise covered by ECN Capital's benefit plans, and reimbursement for career transition and related services within a period of two years following date of termination, to a maximum annual amount of $3,666. If the foregoing termination would have occurred on December 31, 2018, then Messrs. Hudson and Nikopoulos would have been entitled to receive, among other benefits, a retiring allowance in the same amounts payable at the end of the Term.

In the event that Mr. Hudson or Mr. Nikopoulos is terminated without cause or resigns with Good Reason within 12 months of a Change of Control, then such NEO will be entitled to receive a payment equal to the sum of: (a) certain accrued but outstanding amounts that have been accrued up to the date of termination but remain unpaid; (b) a retiring allowance for Messrs. Hudson and Nikopoulos in the same amounts payable at the end of the Term (with the exception of Mr. Nikopoulos who would be entitled to an additional $879,765); and (c) a cash bonus for the year of termination, calculated as follows: (i) if the termination date occurs during the first nine months of a calendar year, the pro-rated amount equal to the average of the cash bonuses paid by ECN Capital to such NEO in the two fiscal years prior to the date of termination of employment, or (ii) if the termination date occurs during the last three months of a calendar year, the pro-rated amount calculated and paid by ECN Capital to such NEO in the normal course. In the circumstances where a NEO is terminated without cause or resigns for Good Reason within 12 months of a Change of Control, the NEO will also continue to participate in the ECN Capital benefit plans (excluding any disability coverage which shall be continued only for the statutory notice period following the date of termination) in which such NEO participated on the date immediately preceding the date of termination of employment until the second anniversary of such date of termination of employment, and will receive reimbursement for career transition and related services received within a period of two years following termination of employment, to a maximum annual amount of $14,663 for Mr. Hudson, and $18,328 for Mr. Nikopoulos, respectively. Under his employment agreement with ECN Capital, Mr. Hudson will also be eligible to receive from a lump sum payment equal to the two year premium costs for benefits comparable to those provided to other senior executives of the Corporation that are not otherwise covered by ECN Capital's benefit plans, and reimbursement for career transition and related services within a period of two years following date of termination, to a maximum annual amount of $3,666.

Further, unvested outstanding Options held by Mr. Hudson and Mr. Nikopoulos will be treated in accordance with the terms and conditions of the plan applicable to the Change of Control. Giving effect to the immediate vesting of all Options upon a Change of Control on December 31, 2018, Messrs. Hudson and Nikopoulos would hold Options with an estimated combined in-the-money value of $4,085,718 and $937,492, respectively.

Pursuant to the terms of the Set-Off Agreement, the full amount of any retirement allowance, consulting payments, or non-competition payments (collectively, the "Compensatory Payments") payable to Mr. Hudson or Mr. Nikopoulos on cessation of employment shall be automatically set-off against the then outstanding amount of such executive's shareholder loan (consisting of principal and any accrued and unpaid interest), at the time the Compensatory Payments become due payable, subject to the achievement of all applicable performance conditions relating to the Compensatory Payments. Further, Messrs. Hudson and Nikopoulos have also agreed to fund the applicable withholding taxes attributed to the Compensatory

Payments, pursuant to the terms of a remittance agreement entered into with ECN Capital and ECN Holdings effective December 31, 2018 (the "Remittance Agreement") such that ECN Capital or ECN Holdings, as applicable, will be entitled to set off such payments on a pre-tax basis.

*Employment Agreement of Mr. Colter*

*All amounts set out under this section have been converted to U.S. dollars based on a 1.364 USD/CAD exchange rate on December 31, 2018.*

Grier Colter became CFO of ECN Capital on March 7, 2017. Mr. Colter's employment agreement, as amended, permits ECN Capital to terminate his employment without notice or pay in lieu thereof, at any time, for just cause. In such circumstances, ECN Capital shall pay Mr. Colter his base salary, accrued vacation and outstanding expenses up to the date of termination of employment.

Pursuant to the terms and conditions of his employment agreement, if the employment of Mr. Colter is terminated without just cause or in circumstances constituting constructive dismissal, then ECN Capital must provide Mr. Colter with a payment equal to the sum of: (a) certain accrued but outstanding amounts that have been accrued up to the date of termination but remain unpaid and (b) a lump sum payment of $3,219,850 in respect of base salary, STIP and Annual Retirement Payment. In such circumstances, Mr. Colter will continue to participate in ECN Capital's benefit plans (excluding disability coverage) in which he participated on the date immediately preceding the date of termination of employment until six months following such date of termination of employment. If termination without just cause or in matters constituting constructive dismissal would have occurred on December 31, 2018, then Mr. Colter would have been entitled to receive payments equal to an estimated $3,253,997.

In the event that Mr. Colter is terminated due to disability, he will be entitled to receive amounts earned, but not yet paid, to him through to the last day of active service preceding the disability and a lump sum payment of $3,219,850 in respect of base salary, STIP and Annual Retirement Payment. If termination due to disability would have occurred on December 31, 2018, then Mr. Colter would have been entitled to receive payments equal to an estimated $3,253,997.

In the event that Mr. Colter is terminated without cause or is constructively dismissed within 12 months following a Change of Control, then Mr. Colter will be entitled to receive certain accrued but outstanding amounts that have been accrued up to the date of termination but remain unpaid and a payment equal to the sum of: (a) a payment in lieu of a STIP award for the year of termination, pro-rated to the Termination Date, calculated with reference to an annual STIP award of $1,030,975; and (b) a lump sum payment of $4,021,032 in respect of base salary, STIP and Annual Retirement Payment. In such event, Mr. Colter will continue to participate in ECN Capital's benefit plans (excluding any disability coverage which shall be continued only for the statutory notice period following the date of termination) in which he participated on the date immediately preceding the date of termination of employment for 30 months following the date of termination of employment. If termination without just cause or in circumstances constituting constructive dismissal within 12 months of a Change of Control occurred on December 31, 2018, then Mr. Colter would have been entitled to receive payments equal to an estimated $4,055,179.

Further, unvested outstanding Options held by Mr. Colter will immediately vest prior to the Change of Control and will be immediately exercisable pursuant to the terms of his employment agreement. Such automatic vesting provision triggered by a Change of Control is supplemental to a similar automatic vesting provision applicable to all Options issued pursuant to the Option Plan. Giving effect to the immediate vesting of all Options upon a Change of Control on December 31, 2018, Mr. Colter would hold Options and PSUs and RSUs with an estimated combined in-the-money value of $1,617,915.

For the purposes of Mr. Colter's employment agreement, a "Change of Control" means (a) the acquisition of control in law (whether by sale, transfer, merger, amalgamation, take-over, arrangement, consolidation or otherwise in a transaction or series of transactions) of ECN Capital by a third party (that is, the acquisition of control of over 50.1% of the issued and outstanding Common Shares); or (b) the direct or indirect sale, transfer or other disposition of all or substantially all of the assets of ECN Capital to one or more third parties in a transaction or series of transactions.

Options to purchase common shares of ECN Capital held by Mr. Colter shall be treated in accordance with the terms of the Plan and vest in accordance with the Plan on the termination of employment without cause, or on the termination of employment as a result of death or disability.

Mr. Colter is subject to a non-competition clause and non-solicitation covenants, in each case, for a period of 12 months following the date of the termination of his employment, for any reason.

*Employment Agreement of Mr. Shaw*

Scott Shaw joined ECN Capital as President of The Kessler Group on June 1, 2018 upon the completion of the strategic investment in The Kessler Group by the Corporation (the "Kessler Acquisition"). Mr. Shaw's employment agreement permits ECN Capital to terminate his employment without notice or pay in lieu thereof for just cause. In such circumstances, ECN Capital shall pay Mr. Shaw his base salary, accrued vacation and reimbursement of expenses up to the date of termination of employment and Mr. Shaw shall receive any vested benefits to which he is entitled under any benefit plans in which he participated (the "Accrued Benefit").

Pursuant to the terms and conditions of his employment agreement, if the employment of Mr. Shaw is terminated without just cause, then ECN Capital must provide Mr. Shaw with a payment equal to the sum of: (a) the Accrued Benefit; (b) two times his base salary (determined as of the date of termination of employment); and (c) two times his average annual bonus (determined as the average of the total annual bonuses he received for each of the two fiscal years immediately preceding the date of termination of employment). In such circumstances, Mr. Shaw will continue to be covered under any benefit plans in which he participated for 24 months commencing on the first day of the first month coincident or next following the date of termination of employment. If termination without cause would have occurred on December 31, 2018, then Mr. Shaw would have been entitled to receive payments equal to an estimated $4,013,677.

In the event that Mr. Shaw is terminated due to disability, then ECN Capital must provide Mr. Shaw with a payment equal to (a) the Accrued Benefit; and (b) his annual bonus that he would have otherwise received in the year in which termination due to disability occurs, pro-rated for the number of days that he worked in such fiscal year. If termination due to disability would have occurred on December 31, 2018, then Mr. Shaw would have been entitled to receive payments equal to an estimated $2,876,237.

Mr. Shaw is subject to non-competition covenants for a period of 12 months following the date of the termination of his employment and non-solicitation covenants for a period of 24 months following the date of the termination of his employment, in each case, for any reason.

*Employment Agreement of Mr. Lepore*

*All amounts set out under this section have been converted to U.S. dollars based on a 1.364 USD/CAD exchange rate on December 31, 2018.*

Michael Lepore became Senior Vice President, Controller of ECN Capital on July 4, 2017. Mr. Lepore's employment agreement permits ECN Capital to terminate his employment without notice or pay in lieu thereof, at any time, for just cause. In such event ECN Capital shall pay Mr. Lepore his base salary up to the date of termination of employment.

Pursuant to the terms and conditions of his employment agreement, if the employment of Mr. Lepore is terminated without just cause, then ECN Capital must provide Mr. Lepore with a payment equal to the sum of (a) 6 months' compensation ("compensation" hereof being base salary plus bonus actually earned for the bonus year last completed prior to termination) and (b) 1 month's compensation per year of service in excess of twelve months of service in lieu of notice of termination of employment, to a combined maximum of twelve months' compensation. If termination without cause would have occurred on December 31, 2018, then Mr. Lepore would have been entitled to receive payments equal to an estimated $543,279.

Mr. Lepore is subject to non-competition and non-solicitation covenants, in each case, for a period of 12 months following the date of the termination of his employment, for any reason.

## ADDITIONAL DISCLOSURE

### Longer-Term Incentive Plan Descriptions

ECN Capital utilizes a variety of equity tools as part of its total compensation programs, which are designed to align and incentivize management in a manner aligned with shareholder interests.

Non-employee directors are only permitted to received DSUs under the DSU Plan. In line with best practices for security based compensation arrangements, effective as of October 3, 2016, the granting of Options to non-employee directors under the Option Plan was discontinued; such practice will be codified in the Option Plan pursuant to the Plan Amendments, if approved at the Meeting (see "Matter to be Acted Upon at Meeting - Re-Approval of Share Option Plan"). The Unit Plan does not permit issuances of PSUs or RSUs to non-employee directors.

#### *Option Plan*

The Board has adopted the ECN Capital stock option plan (the "Option Plan"). Options issued thereunder allow participants to purchase Common Shares at a specified exercise price within a specified maximum exercise period of eight years. The purpose of the Option Plan is to advance the interests of ECN Capital through the motivation, attraction and retention of officers, directors and employees of ECN Capital and such other key individuals as the Board deems reasonably appropriate.

The following is a summary of the Option Plan:

- Eligible participants under the Option Plan are the directors, officers and other key full-time employees of ECN Capital and its affiliates.
- Options typically vest 33.3% per year over three years.
- Each vested portion is exercisable for five years from the vesting date.
- Exercise price is established by the Board at the time the Option is granted but shall not be less than the closing price of the Common Shares on the last trading day before the grant date.

- The Option Plan provides that the Board may make appropriate adjustments in the event of certain changes in the capital of ECN Capital.

- Maximum number of Common Shares that may be issued pursuant to all security based compensation arrangements of ECN Capital, including the Option Plan, will not exceed 10% of the issued and outstanding Common Shares, calculated from time to time at the date Options are granted. The Board will take into account previous grants of Options when considering future grants.

- Common Shares subject to an Option that has been granted and that is subsequently cancelled or terminated for any reason without having been exercised will again be available for grant under the Option Plan.

- Options are personal to the recipient and non-transferable except in accordance with the Option Plan and the regulations thereto.

- Subject to applicable law and upon notice to ECN Capital, a holder may transfer Options, or Common Shares received under the exercise of Options, to any registered retirement savings plan, registered retirement income fund, tax-free savings account or similar retirement or investment fund established by or for the holder or under which the holder is a beneficiary.

- Upon death of a holder, the holder's Option(s) will become part of his or her estate, and any right of the holder may be exercised by the deceased holder's legal representatives in accordance with the Option Plan, provided the legal representatives comply with all obligations of the deceased holder.

- Options are not granted during "blackout periods" under the Insider Trading Policy. If an Option expires during a blackout period, the expiry date for such option will be automatically extended to the 10 business day following the end of such blackout period.

- In the case of termination of employment of any option-holder for cause, all granted Options then held by such person shall immediately terminate as of the date of termination of employment.

- In the case of termination of employment of any option-holder as a result of death or disability, all granted Options then held by such person shall terminate as of the earlier of the expiry date for such options or one year from the date of death or disability.

- In cases where the employment of any option-holder is terminated for reason other than cause, death or disability, all granted Options then held by such person shall terminate as of the earlier of the expiry date for such options or one year following the last day of employment.

- In the event of a change of control, the Board, having regard to its fiduciary duties and the best interests of ECN Capital, will address the economic value of the rights that participants, as a group, have in outstanding Options in whatever manner the Board deems to be reasonable.

The maximum number of Common Shares which may be issued to insiders of ECN Capital within a one-year period, or are issuable to such insiders at any time, under all security based compensation

arrangements of the Corporation, including the Option Plan, shall be 10% of the Common Shares issued and outstanding at the time of the issuance. The number of Common Shares issuable to non-employee directors pursuant to all security based compensation arrangements of the Corporation, including the Option Plan, shall not exceed 1% of the issued and outstanding Common Shares, and the aggregate dollar value of such Options shall not exceed CAD$100,000 (converted to $73,314 based on a 1.364 USD/CAD exchange rate on December 31, 2018) within a one-year period. In addition, the aggregate equity value of all awards that are eligible to be settled in Common Shares granted to a non-employee director within a one-year period, pursuant to all security based compensation arrangements of the Corporation, including the Option Plan, shall not exceed CAD$150,000 (converted to $109,971 based on a 1.364 USD/CAD exchange rate on December 31, 2018).

The following types of amendments to the Option Plan will require shareholder approval: (i) an increase to the maximum number or percentage of securities issuable under the Option Plan; (ii) provisions granting additional powers to the Board to amend the Option Plan or entitlements thereunder; (iii) reduction in the exercise price of Options or other entitlements; (iv) any cancellation and reissue of Options or other entitlements; (v) any change to the categories of individuals eligible to be selected for grants of Options where such change may broaden or increase the participation of non-employee directors under the plan; (vi) an amendment to the prohibition on transfer of Options; (vii) an amendment to the amendment provisions under the plan; (viii) an extension to the term of Options; and (ix) changes to participation limits applicable to insiders or non-employee directors of ECN Capital.

The Board may make the following amendments to the Option Plan or an Option granted under the Option Plan without obtaining shareholder approval: (i) amendments to the terms and conditions of the Option Plan necessary to ensure that it complies with applicable law and regulatory requirements, including the requirements of any applicable stock exchange, in place from time to time; (ii) amendments to the provisions of the Option Plan respecting administration of, and eligibility for participation under, the plan; (iii) amendments to the provisions of the Option Plan respecting the terms and conditions on which Options may be granted (including the vesting schedule); (iv) the addition of, and any subsequent amendment to, any financial assistance provision; (v) amendments to the Option Plan that are of a "housekeeping" nature; (vi) amendments to the provisions relating to a change of control; and (vii) any other amendments not requiring shareholder approval under applicable laws or the requirements of an applicable stock exchange (such as the TSX). Amendments to the Option Plan or Options that are not subject to shareholder approval may be implemented by ECN Capital without shareholder approval, but will be subject to any approval required by the rules of the TSX and other requirements of applicable law. The Board will also have the right to amend, suspend or terminate the Option Plan or any portion of it at any time in accordance with applicable law and subject to any required regulatory, applicable exchange or shareholder approval.

Pursuant to the Option Plan, for purposes of compliance with Section 409A of the Internal Revenue Code of 1986, as amended ("Section 409A"), certain terms of the Options held by U.S. taxpayers may differ from those described above.

The aggregate number of Common Shares reserved for issuance under all security based compensation arrangements of ECN Capital, including the Option Plan, is 30,664,335, representing approximately 10% of the outstanding Common Shares on a non-diluted basis. The maximum number of Common Shares issuable under all security based compensation arrangements of the Corporation, including the Option Plan, shall not exceed such number which represents 10% of the issued and outstanding Common Shares from time to time. As a result, should ECN Capital issue additional Common Shares in the future, the number of Common Shares issuable under the Option Plan and all other security based compensation arrangements of the Corporation will increase accordingly. As of December 31, 2018, 31,698,375 Options had been awarded (approximately 10.34% of the Common Shares outstanding), all of

which were awarded in compliance with the 10% requirement at the time of such awards. Consequently, no Options remain available for issuance as of February 27, 2019.

On June 29, 2017, the TSX approved the Corporation's Normal Course Issuer Bid for commencement on July 5, 2017 (the "2017 NCIB") and ending on the earlier of July 4, 2018 and the completion of purchases under the 2017 NCIB. Pursuant to the 2017 NCIB, the Company may repurchase up to 36,999,219 Common Shares, representing approximately 10% of the "public float" of the Common Shares (within the meaning of the rules of the TSX). On June 28, 2018, the TSX approved the renewal of the 2017 NCIB for commencement on July 5, 2018 (the "2018 NCIB") and ending on the earlier of July 4, 2019 and the completion of purchases under the 2018 NCIB. Pursuant to the renewal, the Company may repurchase up to an additional 31,339,030 Common Shares, representing approximately 10% of the public float. In aggregate since the commencement of the 2017 NCIB on July 5, 2017 and as of as of February 27, 2019, the Corporation has purchased 51,177,491 Common Shares under the 2017 NCIB and the 2018 NCIB. On April 16, 2018, ECN Capital completed a substantial issuer bid and repurchased $91 million[2] of Common Shares (the "2018 SIB"), pursuant to which 31,944,444 Common Shares were purchased for cancellation. On January 15, 2019, ECN Capital completed a second substantial issuer bid and repurchased $200 million[3] of Common Shares (the "2019 SIB"), pursuant to which 70,666,666 Common Shares were purchased for cancellation. As a result of the reduction in Common Shares issued and outstanding pursuant to the 2017 NCIB, the 2018 NCIB, the 2018 SIB and the 2019 SIB, as of February 27, 2019, the number of Common Shares issuable under the Option Plan exceeds such number which represents 10% of the issued and outstanding Common Shares, and the number of Common Shares issuable under all security based compensation arrangements of ECN Capital, including the Option Plan, exceeds such number which represents 10% of the issued and outstanding Common Shares.

***Deferred Share Unit Plan***

The Board has adopted the ECN Capital Deferred Share Unit Plan (the "DSU Plan"). Under the DSU Plan, the Board may grant DSUs to designated executives (being officers or employees designated by the Board as eligible) and non-employee directors of ECN Capital. A DSU is a right to receive an amount of shares or cash from ECN Capital equal to the value of one Common Share. DSU grants for directors and executives are approved by the Board based on the recommendation of the C&CG Committee. The C&CG Committee will take into account previous grants of DSUs when considering future grants.

The purpose of the DSU Plan is to attract and retain qualified persons to serve on the Board and executive team, to strengthen the alignment of interests between participants in the DSU Plan and shareholders by requiring participants to defer receiving a portion of their compensation until their retirement or resignation and having the value of such portion fluctuate with the value of the Common Shares and to provide a compensation system for non-employee directors that, together with the other director compensation mechanisms of ECN Capital, is reflective of the responsibility, commitment and risk accompanying membership on the Board and the performance of the duties required of the various committees of the Board.

Under the terms of the DSU Plan, the number of DSUs that a participant will receive will be calculated by dividing the portion of the participant's eligible compensation by the volume-weighted average price of the Common Shares on the TSX for the 10 most recent preceding days on which they were traded on the grant date (the "DSU Fair Market Value"). Board members will be required to take a minimum of 50% of their annual board retainer in the form of DSUs. If and when cash dividends are paid with respect to Common Shares during the term of a grant, a participant will be granted a number of dividend equivalent

[2] Converted to U.S. dollars based on a 1.257 CAD/USD exchange rate on April 16, 2018.
[3] Converted to U.S. dollars based on a 1.33 CAD/USD exchange rate on January 15, 2019

DSUs. Such dividend equivalents shall be converted into additional DSUs based on the DSU Fair Market Value as of the date on which the dividends are paid.

The maximum number of Common Shares which may be issued to insiders of ECN Capital within a one-year period, or are issuable to such insiders at any time, under all security based compensation arrangements of the Corporation, including the DSU Plan, shall be 10% of the Common Shares issued and outstanding at the time of the issuance. Any increase in the Common Shares reserved shall be subject to the approval of the ECN Capital Shareholders in accordance with the rules of the TSX. Pursuant to the DSU Plan, the aggregate equity award value of any grants of DSUs that are eligible to be settled in Common Shares, in combination with the aggregate equity award value of any grants under any other security based compensation arrangements of ECN Capital that may be made to a non-employee director for a year shall not exceed CAD$150,000 (converted to $109,971 based on a 1.364 USD/CAD exchange rate on December 31, 2018). Since the inception of the DSU Plan, it has been the Corporation's practice to settle all DSUs in cash.

The redemption date of a participant's DSUs shall not occur until his or her resignation or retirement from ECN Capital. In such case, the participant will provide ECN Capital with a written redemption notice specifying a redemption date, which shall occur no later than December 15th of the calendar year following the year in which the participant resigned or retired.

The Board may grant awards of DSUs from time to time to each non-employee director or executive designated by the Board as eligible to participate in the plan. The DSUs are then credited to the participant's account on the award date. The DSU Plan provides that the Board may make appropriate adjustments to the DSUs in the event of certain changes in the capital of ECN Capital. In any particular year the Board may, in its sole discretion, determine not to make an award to a particular eligible director/executive or to all eligible directors/executives as a group.

The Board may specify in a DSU award agreement whether the DSUs subject to such agreement will be settled in cash or Common Shares, or a combination of both, provided that where an agreement does not provide for the settlement of the DSUs in Common Shares, such DSUs may only be settled in cash. On the redemption date, ECN Capital will: (a) pay cash, equal to the number of DSUs credited to the participant's account on the redemption date, multiplied by the DSU Fair Market Value (less any applicable withholding taxes), to the participant or the participant's legal representative, as the case may be; (b) issue one Common Share for each DSU to the participant or the participant's legal representative, as the case may be. No fractional Common Shares will be issued and any fractional vested DSUs shall be settled in cash based on the DSU Fair Market Value on the relevant settlement date.

Except as required by law, the rights of a participant under the DSU Plan will not be transferable or assignable other than by will or the laws of descent and distribution. An eligible participant may designate in writing a beneficiary to receive any benefits that are payable under the DSU Plan upon the death of such eligible participant.

The Board may terminate the DSU Plan at any time, but no such termination shall, without the consent of the eligible participant or unless required by law, adversely affect the rights of an eligible participant with respect to any amount in respect of which an eligible participant has elected to receive in DSUs, or has then been granted under the plan.

Upon a change of control, any unvested DSUs will immediately and automatically vest upon the date a change of control becomes effective. In the event an eligible participant's termination date is within twelve months following a change of control, the Board may, in its discretion, determine that the eligible participant or his or her beneficiary shall receive a payment in cash of an aggregate amount equal to the

product of the price attributed to the Common Shares in connection with the transaction resulting in the change of control (as determined by the Board in good faith if no Common Share price was in fact established) multiplied by the number of DSUs being settled.

Pursuant to the DSU Plan, for purposes of compliance with Section 409A, certain terms of the DSUs held by U.S. taxpayers may differ from those described above.

The aggregate number of Common Shares reserved for issuance under all security based compensation arrangements of ECN Capital, including the DSU Plan, is 30,664,335, representing approximately 10% of the outstanding Common Shares on a non-diluted basis. The maximum number of Common Shares issuable under all security based compensation arrangements of the Corporation, including the DSU Plan, shall not exceed such number which represents 10% of the issued and outstanding Common Shares from time to time. As a result, should ECN Capital issue additional Common Shares in the future, the number of Common Shares issuable under the DSU Plan and all other security based compensation arrangements of the Corporation will increase accordingly. As of December 31, 2018, 1,194,258 DSUs had been granted (approximately 0.4% of the Common Shares outstanding), all of which were awarded in compliance with the 10% requirement at the time of such awards. Since the inception of the DSU Plan, it has been the Corporation's practice to settle all DSUs in cash.

As a result of the reduction in Common Shares issued and outstanding pursuant to the 2017 NCIB, the 2018 NCIB, the 2018 SIB and the 2019 SIB, as of February 27, 2019, the number of Common Shares issuable under all security based compensation arrangements of ECN Capital, including the DSU Plan, exceeds such number which represents 10% of the issued and outstanding Common Shares. As a result, no DSUs that may be settled in Common Shares are currently available for issuance. On February 27, 2019, the Board resolved to restrict the terms of any grant of DSUs during any period in which the number of Common Shares issuable under all security based compensation arrangements of ECN Capital, including the DSU Plan, exceeds such number which represents 10% of the issued and outstanding Common Shares to those that may be settled in cash only and to elect to settle in cash any outstanding DSU that vests during such period.

***Share Unit Plan***

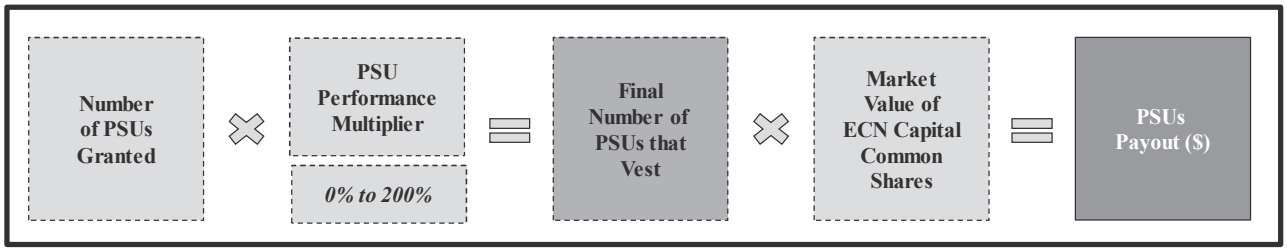
The Board has adopted the ECN Capital Share Unit Plan (the "Unit Plan"). Under the Unit Plan, both restricted share units ("RSUs") and performance share units ("PSUs") may be granted. Eligible participants under the Unit Plan are individuals employed by ECN Capital or its subsidiaries, or other controlled entities that are determined by the C&CG Committee to be in a position to contribute to the success of ECN Capital. RSU and PSU grants are approved by the C&CG Committee. The C&CG Committee will take into account previous grants of RSUs and PSUs when considering future grants. The C&CG Committee, unless otherwise determined by the Board, has the sole and absolute discretion to administer the Unit Plan and to exercise all powers and authorities granted to it under the Unit Plan, or that are necessary and advisable in the administration of the Unit Plan.

RSUs and PSUs will vest in a period specified by the C&CG Committee, which shall not be later than December 15th of the third year following the year in which the eligible participant performed the services to which the grant related. PSUs will also be subject to performance conditions that are approved by the C&CG Committee. The Unit Plan will provide that the C&CG Committee may make appropriate adjustments to the RSUs and PSUs in the event of certain changes in the capital of ECN Capital.

PSUs granted will be a bonus for services in the year the award is granted. Depending on the specific purpose of the award, the C&CG Committee will determine the associated performance metrics, weightings and performance period.

Under the Unit Plan, the number of units that will vest will be based on performance against metrics that are tied to ECN Capital's strategic priorities. The PSU performance multiplier under the plan design may range from 0% to 200% dependent on actual performance. The PSU payout will be zero if performance is below the minimum threshold.

Under the Unit Plan, the payout of PSUs will be determined by multiplying the number of PSUs that vest by volume weighted average trading price of the Common Shares for the 10 trading days preceding the vesting date (the "Share Unit Fair Market Value").




On the vesting date, the Board, in its absolute discretion, can elect one or any combination of the following payment methods for the RSUs or PSUs credited to a participant's account: (a) pay cash, equal to the Share Unit Fair Market Value on the relevant settlement date multiplied by the number of PSUs or RSUs, as applicable, credited to the participant's account(less any applicable withholding taxes), to the participant or the participant's legal representative, as the case may be; or (b) issue Common Shares to the participant or the participant's legal representative, as the case may be. No fractional Common Shares will be issued and any fractional vested PSUs or RSUs shall be settled in cash based on the Share Unit Fair Market Value on the relevant settlement date.

Except as otherwise provided in a grant agreement relating to a grant of PSUs or RSUs, if and when cash dividends (other than extraordinary or special dividends) are paid with respect to Common Shares during the term of a grant, a participant will be granted a number of dividend equivalent PSUs or RSUs in an amount equal to the aggregate amount of dividends that would have been paid on such share units had they been Common Shares at the time of the dividend divided by the Share Unit Fair Market Value at the time of the dividend.

The maximum number of Common Shares which may be issued to insiders of ECN Capital within a one-year period, or are issuable to such insiders at any time, under all security based compensation arrangements of the Corporation, including the Unit Plan, shall be 10% of the Common Shares issued and outstanding at the time of the issuance. Any increase in the Common Shares reserved shall be subject to the approval of the Shareholders in accordance with the rules of the TSX. The plan does not provide for a maximum number of Common Shares which may be issued to a non-insider participant pursuant to the Unit Plan and all other security compensation arrangements.

The Board may, without Shareholder approval, make any amendments to the Unit Plan including, but not limited to, (i) amendments to the terms and conditions of the Unit Plan necessary to ensure that it complies with applicable law and regulatory requirements, including the requirements of any applicable stock exchange, in place from time to time; (ii) amendments to the provisions of the Unit Plan respecting administration of, and eligibility for participation under, the plan; (iii) amendments to the provisions of the Unit Plan respecting the terms and conditions on which PSUs and RSUs may be granted (including the vesting schedule); (iv) amendments to the Unit Plan that are of a "housekeeping" nature; (v) amendments to the provisions relating to a change of control; and (vi) any other amendments not requiring shareholder approval under applicable laws or the requirements of an applicable stock exchange (such as the TSX). Amendments to the Unit Plan or PSUs or RSUs that are not subject to shareholder approval may be

implemented by ECN Capital without shareholder approval, but are subject to any approval required by the rules of the TSX and other requirements of applicable law. The Board also has the right to amend, suspend or terminate the Unit Plan or any portion of it at any time in accordance with applicable law and subject to any required regulatory, applicable exchange or shareholder approval.

Notwithstanding the foregoing, the following changes to the Unit Plan will require Shareholder approval in accordance with the requirements of the TSX: (i) an increase to the maximum number or percentage of Common Shares reserved for issuance pursuant to the Unit Plan; (ii) changes to the amendment provisions to grant additional powers to the Board to amend the Unit Plan or entitlements thereunder; (iii) any change to the categories of individuals eligible for grants of PSUs or RSUs where such change may broaden or increase the participation of non-employee directors in the Unit Plan; (iv) any changes to the insider participation limits set forth in the Unit Plan; (v) an amendment to the prohibition on assignment or transfer of PSUs or RSUs; and (vi) an amendment to the amending provisions in the Unit Plan. The Board may also not make any amendments to the plan or grants made pursuant to the plan without the consent of a participant if it adversely alters or impairs the rights of the participant in respect of any grant previously granted to such participant under the plan. Consent will not be required where the amendment is required for purposes of compliance with applicable laws or regulatory requirements.

In the case of termination of employment of any participant for cause, or resignation of a participant, subject to the terms of any written employment agreement, and unless otherwise determined by the C&CG Committee, no PSUs or RSUs that have not yet vested and been settled prior to the date of such termination or resignation, as the case may be, including dividend equivalent PSUs and RSUs shall vest, and all such PSUs and RSUs shall be forfeited immediately.

In the case of termination of a participant without cause, subject to the terms of any written employment agreement and the relevant grant agreement, all PSUs and/or RSUs that have not previously vested shall vest on the effective date of such termination, provided that in the case of PSUs, the total number of PSUs that vest shall be the number of PSUs covered by the relevant grant without giving effect to any potential increase or decrease in such number as a result of graduated performance conditions permitting the vesting of more or less than 100% of such PSUs.

In the case of death or disability, subject to the terms of a participant's written employment agreement and the relevant grant agreement, in the event a participant dies or experiences a disability prior to the end of a vesting period for the grant, a portion of the RSUs shall vest as of the date of such event and all other RSUs not so vested shall be forfeited immediately. The number of PSUs, if any, that vest shall be determined in accordance with the grant agreement governing such PSUs, and any PSUs that do not vest pursuant to the relevant grant agreement shall be forfeited immediately.

In the event of a change of control of ECN Capital, subject to the terms of any written employment agreement with ECN Capital, all PSUs and RSUs that have not previously vested shall vest on the effective date of the change of control, provided that in the case of PSUs, the total number of PSUs that vest shall be the number of PSUs covered by the relevant grant without giving effect to any potential increase or decrease in such number as a result of graduated performance conditions permitting the vesting of more or less than 100% of such PSUs. PSUs and RSUs that vest pursuant to a change of control shall be settled by a lump sum cash payment based on the price attributed to Common Shares in connection with the transaction giving rise to the change of control, or as determined by the C&CG Committee in good faith if no Common Share price was in fact established.

Except as required by law, and in accordance with the provisions of the plan allowing for the designation of a beneficiary, the assignment or transfer of the PSUs or RSUs or any other benefits under the plan shall not be permitted other than by operation of law. Pursuant to the Unit Plan, for purposes of

compliance with Section 409A, certain terms of the PSUs and RSUs held by U.S. taxpayers may differ from those described above.

The aggregate number of Common Shares reserved for issuance under all security based compensation arrangements of ECN Capital, including the Unit Plan, is 30,664,335, representing approximately 10% of the outstanding Common Shares on a non-diluted basis. The maximum number of Common Shares issuable under all security based compensation arrangements of the Corporation, including the Unit Plan, shall not exceed such number which represents 10% of the issued and outstanding Common Shares from time to time. As a result, should ECN Capital issue additional Common Shares in the future, the number of Common Shares issuable under the Unit Plan and all other security based compensation arrangements of the Corporation will increase accordingly. As of December 31, 2018, 5,128,564 PSUs and RSUs had been granted (approximately 1.7% of the Common Shares outstanding), all of which were awarded in compliance with the 10% requirement at the time of such awards. Since the inception of the Unit Plan, it has been the Corporation's practice to settle all PSUs and RSUs in cash.

As a result of the reduction in Common Shares issued and outstanding pursuant to the 2017 NCIB, the 2018 NCIB, the 2018 SIB and the 2019 SIB, as of February 27, 2019, the number of Common Shares issuable under all security based compensation arrangements of ECN Capital, including the Unit Plan, exceeds such number which represents 10% of the issued and outstanding Common Shares. As a result, no PSUs or RSUs that may be settled in Common Shares are currently available for issuance. On February 27, 2019, the Board resolved to restrict the terms of any grant of PSUs and RSUs during any period in which the number of Common Shares issuable under all security based compensation arrangements of ECN Capital, including the Unit Plan, exceeds such number which represents 10% of the issued and outstanding Common Shares to those that may be settled in cash only and to elect to settle in cash any outstanding PSU or RSU that vests during such period.

***Overhang, dilution and burn rates***

| | 2016 | | | 2017 | | | 2018 | | |
|---|---|---|---|---|---|---|---|---|---|
| | **Options** | **DSUs** | **PSUs/RSUs** | **Options** | **DSUs** | **PSUs/RSUs** | **Options** | **DSUs** | **PSUs/RSUs** |
| Overhang(1)(4) | 9.8% | 9.9% | 9.9% | 9.2% | 9.8% | 9.8% | 9.8% | 9.8% | 9.8% |
| Dilution(2)(4) | 7.9% | 0.0% | 0.0% | 8.2% | 0.2% | 0.7% | 10.0% | 0.4% | 1.6% |
| Burn Rate(3)(4) | 2.3% | 0.0% | 0.0% | 1.4 % | 0.2% | 0.7% | 0.8% | 0.2% | 1.3% |

(1) The total number of Common Shares reserved for issuance under the Corporation's security based compensation arrangements, expressed as a percentage of the total number of Common Shares outstanding as at December 31st of each year on a diluted basis.

(2) The total number of Options or units outstanding, expressed as a percentage of the total number of Common Shares outstanding as at December 31st of each year on a diluted basis.

(3) The number of Options or units granted annually, expressed as a percentage of the weighted average number of Common Shares outstanding for each financial year.

(4) Settlement of awards granted or issued pursuant to the Corporation's security based compensation arrangements, other than Options under the Option Plan, are typically settled with cash, and not the issuance of Treasury Stock. On February 27, 2019, the Board resolved to restrict the terms of any grant of DSUs, PSUs and RSUs during any period in which the number of Common Shares issuable under all security based compensation arrangements of ECN Capital, including the Unit Plan, exceeds such number which represents 10% of the issued and outstanding Common Shares to those that may be settled in cash only and to elect to settle in cash any outstanding DUS, PSU or RSU that vests during such period.

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

### Aggregate Indebtedness

The following table sets forth the indebtedness incurred by all current directors, officers and employees of the Corporation and its subsidiaries for the purchase of securities of the Corporation and for other purposes as of February 27, 2019.

| Purpose | Aggregate Indebtedness to the Corporation or its Subsidiaries[1] | Set-Off Adjusted Aggregate Indebtedness to the Corporation or its Subsidiaries[1][2] |
|---|---|---|
| Securities Purchase Program[3] | $36,446,374 | $22,345,087 |
| Other | $13,203,996 | N/A |

(1) Converted to U.S. dollars based on a 1.315 USD/CAD exchange rate on February 27, 2019.

(2) In order to accurately reflect the accounting treatment of the indebtedness of Messrs. Hudson and Nikopoulos under IFRS, the aggregate indebtedness amount set forth in this column includes the indebtedness of Messrs. Hudson and Nikopoulos, as adjusted for, pursuant to the terms of the Set-Off Agreement, a set-off against the Compensatory Payments due and payable to each executive in the case of a termination of employment on February 27, 2019, subject to the achievement of all applicable performance conditions relating to the Compensatory Payments. The full amount of the Compensatory Payments shall be automatically set-off against the then outstanding amount of such executive's shareholder loan (consisting of principal and any accrued and unpaid interest), at the time such payments become payable, pursuant to the terms of the Set-Off Agreement. Messrs. Hudson and Nikopoulos have also agreed to fund the applicable withholding taxes attributed to the Compensatory Payments, pursuant to the terms of the Remittance Agreement such that ECN Capital or ECN Holdings, as applicable, will be entitled to set off such payments on a pre-tax basis.

(3) In 2018, the Corporation aimed to reduce indebtedness to the Corporation in connection with its securities purchases program while continuing to ensure management's alignment with the Corporation's shareholders through equity holdings. The Corporation achieved a reduction of 58% of aggregate indebtedness to the Corporation in connection with its securities purchases program as of February 27, 2019, compared to such indebtedness as of March 19, 2018 (the date of the management information circular in connection with the 2018 annual meeting of shareholders).

### Indebtedness of Directors and Executive Officers

The following tables set out the indebtedness of directors and executive officers of the Corporation (including any person who, during the year-ended December 31, 2018, was, but is not at the date of this Circular, a director or executive officer of the Corporation), nominees for election as directors, and any associates of any of the foregoing persons, during the year-ended December 31, 2018 and as at February 27, 2019 to the Corporation or its subsidiaries, or to other entities if the indebtedness to such other entities is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

| Name and Principal Position | Involvement of Issuer | Largest Amount Outstanding in 2018[1] (a) | Amount Outstanding as at February 27, 2019[2] (b) | Set-Off Adjusted Amount Outstanding as at February 27, 2019[2][3] (c) |
|---|---|---|---|---|
| ***Securities Purchase Program***[4] | | | | |
| Steven K. Hudson<br>Chief Executive Officer | Creditor | $16,424,058 | $17,129,580 | $7,587,573 |
| Grier Colter<br>Chief Financial Officer | Creditor | $1,320,150 | $1,338,093 | N/A |
| Jim Nikopoulos<br>President – ECN Capital | Creditor | $6,425,999 | $6,702,037 | $2,142,756 |
| Michael Lepore<br>Senior Vice President, Controller | Creditor | $377,614 | $383,469 | N/A |

| Name and Principal Position | Involvement of Issuer | Largest Amount Outstanding in 2018[1] (a) | Amount Outstanding as at February 27, 2019[2] (b) | Set-Off Adjusted Amount Outstanding as at February 27, 2019[2][3] (c) |
|---|---|---|---|---|
| ***Securities Purchase Program***[4] | | | | |
| Loreto Grimaldi<br>Senior Vice President, General Counsel & Corporate Secretary | Creditor | $1,339,322 | $1,396,854 | N/A |
| Algis Vaitonis<br>Chief Credit Officer | Creditor | $378,614 | $394,727 | N/A |
| ***Other*** | | | | |
| Scott Shaw<br>President – The Kessler Group | Creditor | $11,251,340 | $10,698,383 | N/A |

(1) Converted to U.S. dollars based on a 1.364 USD/CAD exchange rate on December 31, 2018.
(2) Converted to U.S. dollars based on a 1.315 USD/CAD exchange rate on February 27, 2019.
(3) In order to accurately reflect the accounting treatment of the indebtedness of Messrs. Hudson and Nikopoulos under IFRS, the amounts set forth in this column for Messrs. Hudson and Nikopoulos reflect the indebtedness, as adjusted for, pursuant to the terms of the Set-Off Agreement, a set-off against the Compensatory Payments due and payable to each executive in the case of a termination of employment on February 27, 2019, subject to the achievement of all applicable performance conditions relating to the Compensatory Payments. The full amount of the Compensatory Payments shall be automatically set-off against the then outstanding amount of such executive's shareholder loan (consisting of principal and any accrued and unpaid interest), at the time such payments become payable, pursuant to the terms of the Set-Off Agreement. Messrs. Hudson and Nikopoulos have also agreed to fund the applicable withholding taxes attributed to the Compensatory Payments, pursuant to the terms of the Remittance Agreement such that ECN Capital or ECN Holdings, as applicable, will be entitled to set off such payments on a pre-tax basis.
(4) In 2018, the Corporation aimed to reduce indebtedness to the Corporation in connection with its securities purchases program while continuing to ensure management's alignment with the Corporation's shareholders through equity holdings. The Corporation achieved a reduction of 58% of aggregate indebtedness to the Corporation in connection with its securities purchases program as of February 27, 2019, compared to such indebtedness as of March 19, 2018 (the date of the management information circular in connection with the 2018 annual meeting of shareholders).

### *Indebtedness of Directors and Executive Officers under Securities Purchase Program*

The indebtedness reflected in the above table under "Securities Purchase Program" (the "Securities Purchase Loans") reflects loans provided to executive officers of the Corporation to finance the acquisition of securities in EFN prior to the Separation Transaction and ECN Capital post-separation. All loans to ECN Capital executive officers relating to Common Shares of EFN were subsequently transferred to ECN Capital in accordance with the Separation Transaction. These loans were approved by the Board on the basis that it is important that management's interest be aligned with that of the Corporation's shareholders. Purchase of securities through the loan program occur through the secondary market in compliance with the Corporation's insider trading policy and applicable TSX and securities laws.

In accordance with the executive share accumulation program, the Securities Purchase Loans reflect arm's length terms, including market rates of interest, principal repayment no later than seven years from advance, and the Corporation being granted a first-priority security interest in certain ECN Capital securities held by the executive and having full personal recourse to the executive as security for payment of the full amount of their indebtedness. No portion of any such outstanding loan amounts has ever been forgiven by the Corporation.

### *Other Indebtedness of Directors and Executive Officers*

The indebtedness of Mr. Shaw reflected in the above table under "Other" reflects a loan provided to Mr. Shaw in connection with the Kessler Acquisition as further described herein. Mr. Shaw serves as President of The Kessler Group and was an integral member of its senior management team prior to the Kessler Acquisition, and in connection with the Kessler Acquisition the Corporation agreed to provide Mr. Shaw with the opportunity to effectively participate in a "management rollover" (at the same valuation as ECN Capital's investment in the Kessler Acquisition) by providing Mr. Shaw with a loan to facilitate his

acquisition of common units of The Kessler Group representing an approximate 3.5% interest in The Kessler Group (on a post-acquisition basis). This loan was approved by the Board on the basis that it was integral for Mr. Shaw to remain as President of The Kessler Group and to provide for further incentivization and alignment of his interests with those of the shareholders of ECN Capital, which became the majority investor in The Kessler Group following the Kessler Acquisition.

The loan provided to Mr. Shaw was negotiated prior to his employment with the Corporation or its subsidiaries and reflects arm's length terms, including market rates of interest, principal repayment no later than seven years from advance and the Corporation (through its subsidiary ECN Kessler Holdco LLC) being granted a first-priority security interest in the common units of The Kessler Group held by Mr. Shaw, and having full personal recourse to Mr. Shaw as security for payment of the full amount of his indebtedness. In addition, Mr. Shaw has contractually agreed that 50% of all distributions he receives from The Kessler Group shall be applied to repay the outstanding indebtedness pursuant to the loan until the full amount has been repaid. No portion of any such outstanding loan amounts has ever been forgiven by the Corporation or any of its subsidiaries.

## AVAILABLE INFORMATION

Additional information relating to the Corporation is available on SEDAR at www.sedar.com. Securityholders of the Corporation can, upon request, obtain a copy of any such document free of charge. Financial information about the Corporation is provided in the Corporation's comparative annual financial statements and MD&A for its most recently completed financial year.

Shareholders of the Corporation may request copies of the Corporation's financial statements and MD&A by contacting the Senior Vice President, General Counsel and Corporate Secretary of the Corporation by email at lgrimaldi@ecncapitalcorp.com or by mail at 181 Bay Street, Suite 2830, Toronto, Ontario, M5J 2T3.

## QUESTIONS AND FURTHER ASSISTANCE

All questions regarding the information contained in this Circular or requests for assistance in completing the form of proxy can be directed to the Corporation's strategic shareholder advisor and proxy solicitation agent, Kingsdale Advisors, at 1-888-518-6813 (toll free in North America), or at 416-867-2272 (collect outside North America), or by email at contactus@kingsdaleadvisors.com.

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## DIRECTORS' APPROVAL

The contents and the sending of this Circular have been approved by the Board of Directors of the Corporation.

Dated as of February 27, 2019.

**Loreto Grimaldi**
***Senior Vice President, General Counsel and Corporate Secretary***

**EXHIBIT A**

**ECN CAPITAL CORP.**
**SHARE OPTION PLAN**

*Enacted July 21, 2016, and proposed to be amended and restated March 26, 2019*

## 1. GENERAL PROVISIONS

### 1.1 Interpretation

For the purposes of the Plan (defined below), unless otherwise defined herein, the following terms have the following meanings:

(a) "**affiliate**" has the meaning attributed to that term in the *Business Corporations Act* (Ontario);

(b) "**Applicable Law**" means any applicable provision of law, domestic or foreign, including, without limitation, applicable securities legislation, together with all regulations, rules, policy statements, rulings, notices, orders or other instruments promulgated thereunder, and Stock Exchange Rules;

(c) "**Black-Out Period**" means a period of time imposed pursuant to the Insider Trading Policy of the Corporation upon certain designated persons during which those persons may not trade in any securities of the Corporation;

(d) "**Board**" means the board of directors of the Corporation;

(e) "**Cashless Exercise**" has the meaning attributed to that term in Section 2.9(b);

(f) "**Cause**" in respect of a Participant has the meaning ascribed thereto in Participant's written employment agreement with the Corporation, or, in the event the Participant is not party to any such written employment agreement, means "just cause" "or "cause" for termination of the Participant's employment by the Corporation as determined under Applicable Law;

(g) "**Change of Control**" means:

(i) the consummation of any transaction or series of transactions including any consolidation, amalgamation, arrangement, merger or issue of voting shares in the capital of the Corporation, the result of which is that any Person or group of Persons acting jointly or in concert for purposes of such transaction becomes the beneficial owner, directly or indirectly, of more than 50% of the voting shares in the capital of the Corporation, measured by voting power rather than number of shares (but shall not include the creation of a holding company or similar transaction that does not involve any material change in the indirect beneficial ownership of the shares in the capital of the Corporation);

(ii) the direct or indirect sale, transfer or other disposition, in one or a series of related transactions, of all or substantially all of the assets of the Corporation, taken as a whole, to any Person or group of Persons acting jointly or in concert for purposes of such transaction (other than to any affiliates of the Corporation);

(iii) the election at a meeting of the Corporation's shareholders of that number of individuals that would represent a majority of the Board as directors of the Corporation, who are not included in the slate for election as directors proposed to the Corporation's shareholders by management of the Corporation or a transaction or series of transactions as a result of which a majority of the directors of the Corporation are removed from office at any annual or special meeting of shareholders or as a result of a transaction referred to in clause (i) immediately above, or a majority of the directors of the Corporation resign from office over a period of 60 days or less, and the vacancies created thereby are filled by nominees proposed by any Person other than directors or management of the Corporation in place immediately prior to the removal or resignation of the directors; or

(iv) the completion of any transaction or the first of a series of transactions which would have the same or similar effect as any transaction or series of transactions referred to in clauses (i), (ii) or (iii) referred to immediately above;

(h) "**Code**" means the United States Internal Revenue Code of 1986, as amended, and any applicable United States Treasury Regulations and other binding regulatory guidance thereunder;

(i) "**Combination**" has the meaning attributed to that term in Section 2.11(d);

(j) "**Committee**" has the meaning attributed to that term in Section 1.3(a);

(k) "**Corporation**" means ECN Capital Corp., a corporation incorporated under the laws of Ontario, and includes: (i) any successor to ECN Capital Corp. resulting from any amalgamation, arrangement or other reorganization of, or involving, ECN Capital Corp. or any continuance under the laws of another jurisdiction and (ii) any affiliate of ECN Capital Corp. or any such successor;

(l) "**Disability**" means the mental or physical state of the Participant such that, as a result of illness, disease, mental or physical disability or similar cause, the Participant has been unable to fulfil his or her obligations as an employee of the Corporation either for any consecutive six-month period or for any period of twelve months (whether or not consecutive) in any consecutive 24-month period, provided that, where the Participant has entered into a Participant Services Agreement with the Corporation, "Disability" will have the meaning attributed to that term, or the term equivalent in concept, contained in that Participant Services Agreement, and provided that the term "Disabled" has the same meaning with necessary grammatical changes;

(m) "**Eligible Person**" means any Employee, officer and consultant (including any advisor) of the Corporation; a Participant will cease to be an Eligible Person on his Termination Date;

(n) "**Employee**" means any Person treated as an employee in the records of the Corporation;

(o) "**Fair Market Value**" means, at any date in respect of the Shares, the closing sale price of such Shares on the Stock Exchange (with the greatest volume of securities traded) on the trading day immediately preceding such date. In the event that such Shares did not trade on such trading day, the Fair Market Value shall be the average of the bid and ask prices in respect of such Shares at the close of trading on such trading day. If no quotation is made for the applicable day, the Fair Market Value on such day shall be determined in the manner set

forth in the preceding sentence for the next preceding trading day. Notwithstanding the foregoing, if there is no reported closing price or high bid/low asked price that satisfies the preceding sentences, the Fair Market Value on any day shall be determined by such methods and procedures as shall be established from time to time by the Board in its sole discretion. If any Stock Exchange, other than the Toronto Stock Exchange, requires a different formula for the calculation of "Fair Market Value"; the definition of Fair Market Value shall be amended accordingly. For purposes of Options granted to or held by U.S. Taxpayers, Fair Market Value shall have the meaning provided in Exhibit A to the Plan;

(p) "**Insider**" has the meaning set forth in the applicable rules of the Toronto Stock Exchange or similar term on another applicable Stock Exchange, as applicable;

(q) "**Non-Employee Director**" means a director of the Corporation, other than a director of the Corporation that is an Employee;

(r) "**Option**" means a right granted to an Eligible Person to purchase Shares on the terms of the Plan;

(s) "**Option Agreement**" has the meaning attributed to that term in Section 2.3;

(t) "**Participant**" means any Eligible Person to whom an Option has been granted or, in the case of such person's death, his legal representative(s);

(u) "**Person**" means any individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, regulatory body or agency, government or governmental agency, authority or entity however designated or constituted;

(v) "**Plan**" means this share option plan of the Corporation, as the same may be supplemented and amended from time to time;

(w) "**Proposed Transaction**" has the meaning attributed to that term in Section 2.10;

(x) "**Regulations**" means the regulations governing the Plan and made by the Board from time to time, including the regulations set out in Schedule 1.1(x) as the same may be amended or supplemented from time to time;

(y) "**Security Based Compensation Arrangement**" has the meaning set forth in the applicable rules of the Toronto Stock Exchange or similar term on another applicable Stock Exchange, as applicable;

(z) "**Share**" means a common share of the Corporation and such other share as may be substituted for it as a result of any amendments to the articles of the Corporation, or consolidation, merger, amalgamation, arrangement, reorganization or otherwise involving the Corporation, including any rights that form a part of the common share or substituted share;

(aa) "**Stock Exchange**" means the Toronto Stock Exchange, or if the Shares are not listed on the Toronto Stock Exchange, such other stock exchange on which the Shares are listed, or if the Shares are not listed on any stock exchange, then on the over-the-counter market;

(bb) "**Stock Exchange Rules**" means the applicable rules of any stock exchange upon which shares of the Corporation are listed;

(cc) "**Termination Date**" means the last date on which a Participant provides services to the Corporation and not the last day upon which the Corporation pays wages or salaries in lieu of notice of termination, whether statutory, contractual or otherwise;

(dd) "**Transfer**" means any disposition, transfer, sale, exchange, assignment, gift, bequest, disposition, hypothecation, mortgage, charge, pledge, encumbrance, grant of security interest, or any arrangement by which possession, legal title or beneficial ownership passes, directly or indirectly, from one Person or entity to another, or to the same Person or entity in a different capacity, whether or not voluntary and whether or not for value, and includes any agreement to effect the foregoing; and the words "Transferred", "Transferring" and similar words have corresponding meanings; and

(ee) "**U.S. Taxpayer**" means a Participant who is a citizen or permanent resident of the United States for purposes of the Code or a Participant for whom the amounts payable or Shares issued or issuable under the Plan are subject to taxation under the Code.

Words importing the singular number include the plural and vice versa, and words indicating gender include all genders. The term "**including**" means "including without limitation".

The Plan will be governed by and interpreted in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

### 1.2 Purpose

The purpose of the Plan is to advance the interests of the Corporation through the motivation, attraction and retention of officers and employees of the Corporation and such other key individuals as the Board deems reasonably appropriate.

### 1.3 Administration

(a) The Plan will be administered by the Board or a committee of the Board duly appointed for such purpose by the Board. To the extent permitted by Applicable Law, the Board may delegate any or all of the powers under the Plan to one or more committees or subcommittees of the Board (a "**Committee**"). Except as otherwise noted, all references in the Plan to the "Board" will mean the Board or a Committee of the Board to the extent that the Board's power or authority under the Plan has been delegated to such Committee.

(b) Subject to the limitations of the Plan (including Section 3.3), Applicable Law and the requirements of each applicable Stock Exchange, the Board has the authority: (i) to grant to Eligible Persons Options to purchase Shares, (ii) to determine the terms, limitations, restrictions and conditions upon such grants, including the nature and duration of any restrictions applicable to a sale or other disposition of Shares acquired upon exercise of an Option and the nature of events, if any, that may cause any Participant's rights in respect of Shares acquired upon exercise of an Option to be forfeited and the duration of the period of such forfeiture, (iii) to interpret the Plan and to adopt, amend and rescind such administrative guidelines and other rules and Regulations relating to the Plan as the Board may from time to time deem advisable, subject to required prior approval by any applicable regulatory authority or Stock Exchange; (iv) to correct any defect, supply any omission or reconcile any

inconsistency in the Plan or any Option Agreement; and (v) to make all other determinations and to take all other actions in connection with the implementation and administration of the Plan as the Board may deem necessary or advisable. The Board's interpretation and determination of the Plan, its guidelines and rules and the Regulations will be conclusive and binding upon all parties concerned.

(c) Every director of the Corporation will at all times be indemnified and saved harmless by the Corporation from and against all costs, charges and expenses whatsoever including any income tax liability arising from any such indemnification, which such director may sustain or incur by reason of any action, suit or proceeding, taken or threatened against such director, otherwise than by the Corporation, for or in respect of any act done or omitted in good faith by the director in respect of the Plan in the director's capacity as a director of the Corporation, such costs, charges and expenses to include any amount paid to settle such action, suit or proceeding or in any satisfaction of any judgment rendered therein.

### 1.4 Shares Issuable under the Plan

The maximum number of Shares that may be issued under the Plan shall be a number equal to 10% of the number of issued and outstanding Shares on a non-diluted basis at any time, provided that the number of Shares issued or issuable under all Security Based Compensation Arrangements of the Corporation shall not exceed 10% of the issued and outstanding Shares, calculated from time to time at the date at which the rights to acquire Shares under such Security Based Compensation Arrangements are granted. Any Shares subject to an Option that has been granted under the Plan and that is subsequently cancelled or terminated for any reason without having been exercised will again be available for grants under the Plan. No fractional Shares may be issued, and the Board may determine the manner in which any fractional Share value will be treated.

## 2. OPTIONS

### 2.1 Grants

(a) An Eligible Person may receive Options on one or more occasions under the Plan and may receive separate Options on any one occasion.

(b) Options may be granted only to those consultants who meet the following requirements:

(i) the consultant must be engaged to provide on a *bona fide* basis consulting, technical, management, advisory or other services to the Corporation under a written contract between the Corporation and either the consultant or a company or partnership employing the consultant or of which the consultant is a shareholder or partner; and

(ii) the consultant provides such services on a continuous basis for an initial, renewable or extended period of twelve (12) months or more.

(c) The following Insider participation limits shall apply:

(i) the number of Shares issuable to Insiders, at any time, pursuant to the Plan and other Security Based Compensation Arrangements shall not exceed 10% of the issued and outstanding Shares;

(ii) the number of Shares issued to Insiders, within a one-year period, pursuant to the Plan and other Security Based Compensation Arrangements shall not exceed 10% of the issued and outstanding Shares; and

(iii) Non-Employee Directors shall not be eligible to participate in the Plan and no Options may be granted to any such Non-Employee Director.

### 2.2 Option Exercise Price

The Board will establish the exercise price of an Option at the time that the Option is granted, which exercise price must be in all cases not less than the price required by applicable regulatory authorities or any applicable Stock Exchange, which in the case of (a) the Toronto Stock Exchange or (b) any Option granted to a U.S. Taxpayer, is the Fair Market Value.

### 2.3 Option Agreements

Each Option must be confirmed by an agreement in substantially the form attached hereto as Schedule 2.3 or in such other form as is approved of by the Board from time to time (each, an **"Option Agreement"**) signed by the Corporation and by the Participant.

### 2.4 Prohibition on Transfer of Options

Options are personal to the Participant and are non-transferable except as provided herein. No Participant may Transfer any Option or any interest in any Option now or hereafter held by the Participant except in accordance with the Plan. A purported Transfer of any Option in violation of the Plan will not be valid, and the Corporation will not issue any Shares upon the attempted exercise of an improperly Transferred Option. Subject to Applicable Law and upon notice to the Corporation, substantially in the form set forth in Schedule 2.4, a Participant may Transfer Options, or Shares received under the exercise of Options, to any RRSP, RRIF, TFSA or similar retirement or investment fund established by and for the Participant or under which the Participant is the beneficiary. Upon death of a Participant, the Participant's Option(s) will become part of the Participant's estate, and any right of the Participant may be exercised by the deceased Participant's legal representatives in accordance with the Plan, provided the legal representatives comply with all obligations of the deceased Participant. If the legal representatives of a deceased Participant exercise a Participant's Option in accordance with the terms of the Plan, the Corporation will have no obligation to issue any Shares until evidence satisfactory to the Corporation has been provided by the legal representatives that they are entitled to purchase Shares under the Plan.

### 2.5 Prohibition on Pledge of Options

For greater certainty, a Participant may not mortgage, hypothecate, pledge or grant a security interest in any Option.

### 2.6 Termination, Death or Disability of a Participant

(a) If a Termination Date occurs in respect of a Participant for any reason whatsoever other than death, Disability or termination with Cause and subject to any determination to the contrary by the Board, each Option held by the Participant will cease to be exercisable on the earlier of (i) the expiry date of the Option and (ii) 12 months after the Termination Date. For greater certainty, the Participant will be entitled to exercise the Option only to the extent such Option was by its terms exercisable on the Participant's Termination Date. In addition, if any portion of the Option is unvested as of such Termination Date, the Participant shall also be entitled

to exercise the Option to acquire the number of Shares that would have vested on the next anniversary of the date of grant of the Option multiplied by the product of which (A) the numerator is the number of calendar days during the period commencing on the immediately prior anniversary of the date of grant and ending on the Termination Date, and (B) the denominator is 365.

(b) If a Participant dies or becomes Disabled, and subject to any determination to the contrary by the Board, each Option held by the Participant will cease to be exercisable on the earlier of (i) the expiry date of the Option and (ii) 12 months after the Termination Date. For greater certainty, the Participant or the legal representatives of the Participant as the case may be, will be entitled to exercise the Option only to the extent such Option was by its terms exercisable on the date of death or determination of Disability. In addition, if any portion of the Option is unvested as of such Termination Date, the Participant or the legal representatives of the Participant shall also be entitled to exercise the Option to acquire that number of Shares that would have vested on the next anniversary of the date of grant of the Option multiplied by the product of which (A) the numerator is the number of calendar days during the period commencing from the immediately prior anniversary of the date of grant and ending on the date of death or determination of Disability, and (B) the denominator is 365.

(c) Notwithstanding Section 2.6(a), if a Participant is terminated with Cause, all vested and unvested portions of Options held by that Participant will terminate immediately upon such termination and, in the case of vested portions of Options, cease to be exercisable.

(d) Subject to Section 2.7(c) and if required in connection with Section 2.10, no Option may be exercised after its stated date of expiration.

(e) Without limitation, and for greater certainty only, this Section 2.6 will apply regardless of whether the Participant was terminated with or without Cause and regardless of whether the Participant received compensation in respect of termination or was entitled to a period of notice of termination that would otherwise have permitted a greater portion of the Option to vest in the Participant.

2.7 **Term, Vesting and Exercise of Options**

(a) Unless otherwise determined by the Board, Options must expire no later than eight years after the date of grant or after such other period as may be required by any applicable regulatory authority or Stock Exchange.

(b) Except as otherwise determined by the Board or as otherwise provided in any Option Agreement, (i) Options will vest yearly on a "straight line basis" as to one-third of the Shares under such Option on each anniversary of the date of grant (being the date upon which the Participant entered into an Option Agreement with the Corporation or the start date of employment or engagement or as otherwise specified in any Option Agreement, as applicable) for a period of three years and (ii) each vested portion of such Option will be exercisable in respect of such Shares for five years after the date upon which such portion of the Option vested. For greater certainty, the Option will expire in full five years after the last of such vesting dates.

(c) Notwithstanding Section 2.7(b), if the expiry of an Option falls during a Black-Out Period, the expiry date of the Option shall be automatically extended to the tenth business day following the end of such Black-Out Period.

(d) An Option will be exercisable only by delivery of a written notice substantially in the form set forth in Schedule 2.7(d) to any one of the Chief Executive Officer, Senior Executive Vice President, Chief Financial Officer or a Managing Director or any other representative of the Corporation designated by the Board to accept such notices on its behalf, specifying the number of Shares for which such Option is exercised and accompanied by either (i) payment as described in Section 2.9(a)(i), or (ii) if permitted by the Board, irrevocable instructions to a broker to promptly deliver to the Corporation full payment of the amount necessary to pay the aggregate exercise price.

(e) By the exercise of an Option, the Participant will be deemed to have irrevocably appointed any one of the Chief Executive Officer, Senior Executive Vice President, Chief Financial Officer or a Managing Director (or failing any of them any other representative of the Corporation designated by the Board) his attorney to effect any transfer of the Shares acquired by the Participant, if required, through an Option exercise as described in this section, on the books of the Corporation.

2.8 **Alternate Form of Purchase**

In any case in which an Option is exercisable, the Corporation may elect to purchase for cancellation the Option for an amount equal to the difference between the Fair Market Value of the underlying Shares (or any lesser amount agreed upon by the Corporation and the Participant) and the aggregate exercise price of such underlying Shares, subject to the payment to the Corporation of any applicable taxes by the Participant. However, this right may be exercised by the Corporation only with the consent of the Participant, which consent may be withheld for any reason.

2.9 **Payment of Option Price**

(a) Subject to the following, the exercise price of each Share purchased under an Option must be paid (i) in full by bank draft or certified cheque at the time of exercise; or (ii) if permitted by the Board, in such manner and on such terms prescribed by the Board for a Cashless Exercise program for Options under the Plan.

(b) Any Participant may elect to effect a cashless exercise of any or all of such Participant's right under an Option (a "**Cashless Exercise**"). In connection with any such Cashless Exercise, the Participant shall be entitled to receive, without any cash payment (other than the taxes required to be paid in connection with the exercise which must be paid by the Participant to the Corporation in cash at the time of exercise or as otherwise provided herein), such number of whole Shares (rounded down to the nearest whole number) obtained pursuant to the following formula:

$$x = \frac{[a\,(b - c)]}{b}$$

where

| | | |
|---|---|---|
| x | = | the number of whole Shares to be issued |
| a | = | the number of Shares under Option subject to the Cashless Exercise |
| b | = | the Fair Market Value of the Shares on the date of the Cashless Exercise |
| c | = | the exercise price of the Option subject to the Cashless Exercise |

In connection with each Cashless Exercise, the full number of Shares issuable (item (a) in the formula set forth immediately above) shall be considered to have been issued for the purposes of the reduction in the number of Shares which may be issued under the Plan, if applicable.

(c) The Corporation reserves the right, at any and all times, in the Corporation's sole discretion and subject to Applicable Law or the requirements of any applicable Stock Exchange, to amend or terminate any program or procedure for the exercise of Options by means of a Cashless Exercise.

(d) Upon receipt of payment in full (or as herein provided) and subject to the terms of the Plan, including Section 3.5, the number of Shares in respect of which the Option is exercised will be duly issued as fully paid and non-assessable.

### 2.10 Right to Terminate Option, including on Change of Control, Combination, Liquidation or Dissolution of Corporation

Notwithstanding any other provision of the Plan, if the Board at any time determines it advisable to do so in connection with any of the following events (each, a "**Proposed Transaction**"):

(a) any Change of Control or any proposed Combination;

(b) any proposed dissolution, liquidation or winding-up of the Corporation, either voluntarily or involuntarily;

(c) any other proposed distribution of the assets of the Corporation among shareholders for the purpose of winding up its affairs;

(d) any proposed merger, consolidation, share exchange, reorganization, amalgamation, arrangement, take-over bid, reverse take-over or other business combination or other transaction or series of related transactions pursuant to which all or part of the business of the Corporation is combined with that of the any other Person (a "**Combination**");

(e) any proposed acquisition, directly or indirectly through any one or more transactions, by any Person other than the Corporation of: (i) any of the shares of any class of shares in the capital of the Corporation; or (ii) all or substantially all of the assets of the Corporation;

(f) any proposed long term lease or license of all or substantially all of the assets of the Corporation or of any subsidiary of the Corporation (other than a sale, transfer or license to a wholly-owned subsidiary of the Corporation);

(g) any combination of the foregoing; or

(h) any like proposed transaction,

the Board, having regard to its fiduciary duties and the best interests of the Corporation, will address the economic value of the rights that Participants, as a group, have in outstanding Options in whatever manner the Board deems to be reasonable in the circumstances, including any of the following:

(i) provide that the Options are assumed, or rights equivalent to the Options are substituted, by the acquiring or succeeding corporation (or an affiliate);

(j) upon written notice to Participants, provide that all unexercised Options (both vested and/or unvested portions thereof) will terminate immediately prior to the consummation of the Proposed Transaction unless those portions of Options which have vested are exercised by respective Participants within a specified number of days following the date of the notice;

(k) in case of a Combination under the terms of which holders of Shares will receive cash and/or other consideration for each Share surrendered in the Combination, provide for the delivery to each Participant of the cash and/or other consideration that the Participant would have received had the Participant exercised all of the Participant's outstanding vested Options immediately prior to the Combination less the amount the Participant would have been required to pay to the Corporation on that exercise, in cash and/or in a portion of any other consideration having a fair market value equal to the amount, in exchange for the termination of all of the Participant's vested and unvested Options;

(l) require Participants to surrender their outstanding (vested and unvested) Options in exchange for a payment, in cash, Shares or other appropriate consideration as determined by the Board, in an amount equal to the amount by which the then Fair Market Value of the Shares subject to each Participant's unexercised (vested) Options exceeds the exercise price of those Options (treating all unexercised (vested) portions of Options as being fully exercisable for purposes of this calculation);

(m) complete a transaction or series of transactions which are intended to provide to Participants economic consequences which are substantially similar to or more favourable than those provided in Sections 2.10(i) through (l); or

(n) complete a combination of the procedures contemplated by Sections 2.10(i) through (m), including providing on a good faith basis for certain Participants or groups of Participants to be subject to different procedures than other Participants or groups of Participants.

In the case of any Proposed Transaction, the Board may, in its discretion, advance any waiting, vesting or instalment period and exercise date.

For the purposes of this Section 2.10, if the cash and/or other consideration that the Participant is entitled to receive after deducting the amount that the Participant would have been required to pay to the Corporation on exercise of Options, if applicable, is not greater than zero, the Options shall be cancelled for no additional consideration.

2.11 **Substitute Options upon Acquisition by the Corporation**

The Corporation may grant Options under the Plan in substitution for options held by directors, officers or employees of, or consultants to, another entity who become Eligible Persons as a result of a merger or consolidation of the other entity with the Corporation, or as a result of the acquisition by the Corporation of property or securities of the other entity. The Corporation may direct that substitute Options be granted on any terms and conditions that the Board considers appropriate in the circumstances, subject to Applicable Laws and the requirements of each applicable regulatory authority and Stock Exchange.

## 3. GENERAL

### 3.1 Capital Adjustments

If there is any change in the outstanding Shares by reason of a share dividend or split, subdivision, recapitalization, consolidation, combination or exchange of shares or other similar corporate change, subject to any prior approval required of applicable regulatory authorities or Stock Exchange, the Board may make appropriate substitution or adjustment in:

(a) the Fair Market Value of the Shares on any relevant date and/or any exercise price of unexercised Options;

(b) the number or kind of shares or other securities or property issuable pursuant to the Plan; and

(c) the number and kind of shares subject to unexercised Options theretofore granted and in the exercise price of those Options,

provided, however, that no substitution or adjustment will obligate the Corporation to issue or sell fractional shares.

### 3.2 Non-Exclusivity

Subject to any required regulatory, Stock Exchange or shareholder approval and Section 1.4, nothing contained herein will prevent the Board from adopting other additional security or other compensation arrangements for the benefit of any Participant.

### 3.3 Amendment and Termination

(a) The Board may amend, suspend or terminate the Plan or any portion of it at any time in accordance with Applicable Law and subject to any required regulatory, applicable Stock Exchange or shareholder approval. However, except as otherwise provided in the Plan, unless consent is obtained from the affected Participant, no amendment, suspension or termination may materially impair any Options, or any rights related to Options, that were granted to that Participant prior to the amendment, suspension or termination. Any amendments to the Plan to change the maximum number of percentage of Shares issuable pursuant to Options granted under the Plan shall be deemed not to materially impair the rights of any Participant.

(b) Without limiting the generality of the foregoing, the Board, subject to Section 3.3(c), may make the following amendments to the Plan or an Option granted under the Plan, as applicable, without obtaining approval of any Participant or shareholder of the Corporation:

(i) amendments to the terms and conditions of the Plan necessary to ensure that the Plan complies with Applicable Law and regulatory requirements, including the requirements of any applicable Stock Exchange, in place from time to time;

(ii) amendments to the provisions of the Plan respecting administration of the Plan and eligibility for participation under the Plan;

(iii) amendments to the provisions of the Plan respecting the terms and conditions on which Options may be granted pursuant to the Plan, including the vesting schedule;

(iv) the addition of, and any subsequent amendment to, any financial assistance provision;

(v) amendments to the Plan that are of a "housekeeping" nature;

(vi) amendments to the provisions relating to a Change of Control; and

(vii) any other amendments not requiring shareholder approval under Applicable Laws or the requirements of any Stock Exchange.

(c) Without limiting the generality of the foregoing, the Board may not, without the approval of the Corporation's shareholders, make amendments to the Plan or an Option granted under the Plan with respect to the following:

(i) an increase to the maximum number or percentage of securities issuable under the Plan;

(ii) amendment provisions granting additional powers to the Board to amend the Plan or entitlements thereunder;

(iii) a reduction in the exercise price of an outstanding Option or other entitlements under the Plan;

(iv) any cancellation and reissue of Options or other entitlements;

(v) any change to the categories of individuals eligible to be selected for grants of Options where such change may introduce, re-introduce, broaden or increase the participation of Non-Employee Directors under the Plan;

(vi) an amendment to the prohibition on Transfer of Options in Section 2.4;

(vii) an amendment to the amendment provisions in this Section 3.3 so as to increase the ability of the Board to amend the Plan without the approval of the Corporations' shareholders;

(viii) an extension to the term of Options; and

(ix) any changes to Insider participation limits set out in Section 2.1(c).

(d) Notwithstanding the foregoing, no amendment to the Plan which, pursuant to: (i) the *Securities Act* (Ontario) and the regulations and rules promulgated thereunder; (ii) any rules and regulations of any applicable Stock Exchange or consolidated stock price reporting

system on which prices for the Shares are quoted at any time; or (iii) any other Applicable Laws, rules and regulations of any jurisdiction requiring action by the shareholders, requires action by the shareholders may be made without obtaining, or being conditioned upon, shareholders' approval.

(e) If the Plan is terminated, the provisions of the Plan and the Regulations and any administrative-guidelines and other rules adopted by the Board and in force at the time of implementation of the Plan will continue in effect as long as any Option remains outstanding. However, notwithstanding the termination of the Plan, the Board may make any amendments to the Plan or to any outstanding Option that the Board would have been entitled to make if the Plan were still in effect.

### 3.4 Compliance with Legislation

The Corporation will not be obligated to grant any Options, issue any Shares on the exercise of an Option, make any payments or take any other action pursuant to the Plan or an Option Agreement if, in the opinion of the Board (in this Section 3.4, "Board" will not include a Committee) exercising its discretion, such action would conflict or be inconsistent with any Applicable Law or regulation of any governmental agency having jurisdiction, including, in particular, any federal, provincial or state securities laws, or the requirements of any applicable Stock Exchange, and the Board reserves the right to refuse to take such action for so long as such conflict or inconsistency remains outstanding. The Board will make reasonable efforts to resolve or remove such conflict or inconsistency. If such conflict or inconsistency remains outstanding for more than 12 months after the date of exercise of an Option, the Board will take such steps to provide the Participant with compensation which is equitable and appropriate in the circumstances, in which case the actions taken by the Corporation in consequence of such determination will be deemed to have satisfied the Corporation's obligations that would otherwise have existed.

### 3.5 Withholding Taxes

If the Corporation is required under the *Income Tax Act* (Canada) or any other Applicable Law to remit to any governmental authority an amount on account of tax on the value of any taxable benefit associated with the exercise or disposition of Options by a Participant, then the Participant shall, concurrently with the exercise or disposition:

(b) pay to the Corporation, in addition to the exercise price for the Options, if applicable, sufficient cash as is determined by the Corporation to be the amount necessary to fund the required tax remittance;

(c) authorize the Corporation, on behalf of the Participant, to sell in the market on such terms and at such time or times as the Corporation determines such portion of the Common Shares being issued upon exercise of the Options as is required to realize cash proceeds in the amount necessary to fund the required tax remittance; or

(d) make other arrangements acceptable to the Corporation to fund the required tax remittance.

By participating in the Plan, the Participant consents to the sale described in the foregoing clause (b), if applicable, and authorizes the Corporation to effect such sale on behalf of the Participant and remit the appropriate amount to the applicable governmental authorities. The Corporation shall not be responsible for obtaining any particular price for the Shares, and the Corporation shall not be required to issue any Shares under the Plan unless the Participant has made suitable arrangements with the Corporation to fund any withholding obligation.

Without limiting the generality of the foregoing, the Corporation will have the right to deduct from payments of any kind otherwise due to the Participant any taxes of any kind required to be withheld by the Corporation as a result of the Participant's exercise or disposition of Options. Payment of withholding taxes may be made (i) by bank draft or certified cheque or (ii) through and in accordance with the terms and conditions of any Cashless Exercise program established by the Board, subject to the discretion of the Board to require payment in cash if it determines that payment by other methods is not in the best interests of the Corporation.

### 3.6 No Rights as a Shareholder

No Participant will have any rights as a shareholder in respect of any Shares issuable upon exercise of an Option (including the right to receive dividends or other distributions therefrom or thereon), unless and until and except to the extent that such Share has been paid for and issued and a share certificate delivered upon proper exercise of the Option.

### 3.7 Right to Terminate Service

Nothing contained in the Plan or in any Option granted hereunder will restrict the right of the Corporation to terminate the employment, consulting or other service of any employee or consultant at any time and for any reason, with or without notice.

### 3.8 Notices

Any notice or other communication required or permitted to be given under the Plan will be in writing and will be given by prepaid first-class mail, by electronic mail or other means of electronic communication or by hand-delivery as provided below. Any notice or other communication, if mailed by prepaid first-class mail at any time other than during a general discontinuance of postal service due to strike, lockout or otherwise, will be deemed to have been received on the fourth business day after the post-marked date, or if sent by electronic mail other means of electronic communication, will be deemed to have been received on the day of sending, or if delivered by hand will be deemed to have been received on the day on which it is delivered to the applicable address noted below either to the individual designated below or to an individual at that address having apparent authority to accept deliveries on behalf of the addressee. Notice of change of address will also be governed by this Section 3.8. Notices and other communications will be addressed, if to the Corporation, to the head office of the Corporation, Attention: Chief Executive Officer and, if to a Participant, at the last address which appears on the records of the Corporation.

### 3.9 Submission to Jurisdiction

The Corporation and each Participant irrevocably submit to the non-exclusive jurisdiction of the courts of Ontario in respect of all matters relating to the Plan and any Option Agreement.

### 3.10 Further Assurances

Each Participant will promptly do, make, execute or deliver, or cause to be done, made, executed or delivered, all further acts, documents and things as the Corporation may reasonably require from time to time for the purpose of giving effect to the Plan and will use reasonable efforts and take all steps as may be reasonably within the Participant's power to implement to their full extent the provisions of the Plan.

### 3.11 Counterparts

Any Option Agreement or other document contemplated under the Plan may be signed in counterparts and each counterpart will constitute an original document and all counterparts, taken together, will constitute one and the same instrument. Counterparts may be delivered by facsimile or other means of electronic communication.

**EXHIBIT B**

# ECN CAPITAL CORP.
# DEFERRED SHARE UNIT PLAN

*Enacted July 21, 2016*

## Section 1 Interpretation

### 1.1 Purpose

The purposes of the Plan are:

(a) to promote a greater alignment of long-term interests between Eligible Participants and Shareholders;

(b) to provide a compensation system for Non-Employee Directors that, together with the other Director compensation mechanisms of the Corporation, is reflective of the responsibility, commitment and risk accompanying membership on the Board and the performance of the duties required of the various committees of the Board; and

(c) in the case of Designated Executives, to attract and retain employees with the knowledge, experience and expertise required by the Corporation.

### 1.2 Definitions

As used in the Plan, the following terms have the following meanings:

(a) "**Account**" means the account maintained by the Corporation in its books for each Eligible Participant to record the DSUs credited to such Eligible Participant under the Plan;

(b) "**Annual Remuneration**" means all amounts ordinarily payable in cash to a Non-Employee Director by the Corporation in respect of the services provided by the Non-Employee Director to the Corporation in connection with such Non-Employee Director's service on the Board in a fiscal year, including without limitation (i) the Annual Retainer; (ii) the fee for serving as a member of a Board committee; and (iii) the fee for chairing a Board committee, which amounts shall, unless otherwise determined by the Board or the Committee, be payable Quarterly in arrears. For greater certainty, "Annual Remuneration" shall exclude any meeting fees payable in respect of attendance at individual meetings and amounts received by a Non-Employee Director as a reimbursement for expenses incurred in attending meetings;

(c) "**Annual Retainer**" means the annual base retainer fee payable to a Non-Employee Director by the Corporation for serving as a director;

(d) "**Applicable Law**" means any applicable provision of law, domestic or foreign, including, without limitation, applicable securities legislation, together with all regulations, rules, policy statements, rulings, notices, orders or other instruments promulgated thereunder and Stock Exchange Rules;

(e) "**Beneficiary**" means an individual who, on the date of an Eligible Participant's death, is the person who has been designated in accordance with Section 4.7 and the laws applying to the Plan, or where no such individual has been validly designated by the Eligible Participant, or where the individual does not survive the Eligible Participant, the Eligible Participant's legal representative;

(f) "**Board**" means the Board of Directors of the Corporation;

(g) "**Change of Control**" means:

(i) the consummation of any transaction or series of transactions including any consolidation, amalgamation, arrangement, merger or issue of voting shares in the capital of the Corporation, the result of which is that any Person or group of Persons acting jointly or in concert for purposes of such transaction becomes the beneficial owner, directly or indirectly, of more than 50% of the voting shares in the capital of the Corporation, measured by voting power rather than number of shares (but shall not include the creation of a holding company or similar transaction that does not involve any material change in the indirect beneficial ownership of the shares in the capital of the Corporation);

(ii) the direct or indirect sale, transfer or other disposition, in one or a series of related transactions, of all or substantially all of the assets of the Corporation, taken as a whole, to any Person or group of Persons acting jointly or in concert for purposes of such transaction (other than to any affiliates of the Corporation);

(iii) the election at a meeting of the Corporation's shareholders of that number of individuals that would represent a majority of the Board as Directors of the Corporation, who are not included in the slate for election as Directors proposed to the Corporation's shareholders by management of the Corporation or a transaction or series of transactions as a result of which a majority of the directors of the Corporation are removed from office at any annual or special meeting of shareholders or as a result of a transaction referred to in clause (i) immediately above, or a majority of the Directors of the Corporation resign from office over a period of 60 days or less, and the vacancies created thereby are filled by nominees proposed by any Person other than Directors or management of the Corporation in place immediately prior to the removal or resignation of the Directors; or

(iv) the completion of any transaction or the first of a series of transactions which would have the same or similar effect as any transaction or series of transactions referred to in clauses (i), (ii) or (iii), referred to immediately above;

(h) "**Code**" means the U.S. Internal Revenue Code of 1986, as amended and any applicable United States Treasury Regulations and other binding regulatory guidance thereunder;

(i) "**Conversion Date**" means the date used to determine the Fair Market Value of a Deferred Share Unit for purposes of determining the number of Deferred Share Units to

be credited to an Eligible Participant under Section 2.3, which date shall, subject to variation as determined by the Board, generally be the last day of each Quarter and, in any event, shall not be earlier than the first business day of the year in respect of which the Deferred Share Units are being provided;

(j) "**Corporation**" means ECN Capital Corp., a corporation incorporated under the laws of Ontario, and includes: (i) any successor to ECN Capital Corp.resulting from any amalgamation, arrangement or other reorganization of, or involving, ECN Capital Corp.or any continuance under the laws of another jurisdiction and (ii) any Related Corporation;

(k) "**Deferred Share Unit**" or "**DSU**" means a unit credited by the Corporation to an Eligible Participant by way of a bookkeeping entry in the books of the Corporation, as determined by the Board, pursuant to the Plan, the value of which at any particular date shall be the Fair Market Value at that date;

(l) "**Designated Executive**" means an officer (including an executive Chair or an executive Vice-Chair of the Board) or employee of the Corporation or a Related Corporation who is designated by the Board as eligible to receive Deferred Share Units under the Plan;

(m) "**Director**" means a member of the Board;

(n) "**DSU Award Agreement**" means a written agreement setting out the terms of any DSU award under Section 2.3.2 in the form of Schedule B hereto, or such other form as may be prescribed by the Board from time to time;

(o) "**ECN Capital Entity**" has the meaning ascribed thereto in Section 4.12;

(p) "**Election Notice**" means the written election under Section 2.2 to receive Deferred Share Units, in the form of Schedule A hereto, or such other form as may be prescribed by the Board from time to time;

(q) "**Eligible Participant**" means any Non-Employee Director and any Designated Executive;

(r) "**Entitlement Date**" has the meaning ascribed thereto in Section 3.1 or Section 3.2, as applicable;

(s) "**Fair Market Value**" means, (a) with respect to any particular date, the volume weighted average trading price per Share on the Stock Exchange during the immediately preceding ten (10) Trading Days, or (b) in any case in which the Shares are not listed on the Stock Exchange, the value established by the Corporation acting in good faith;

(t) "**Insider**" has the meaning set forth in the applicable rules of the Toronto Stock Exchange or similar term on another applicable Stock Exchange, as applicable;

(u) "**Non-Employee Director**" means a Director who is not an employee of the Corporation or any Related Corporation, and includes any non-executive Chair of the Board;

(v) "**Person**" means any individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated

association, trust, trustee, executor, administrator or other legal personal representative, regulatory body or agency, government or governmental agency, authority or entity however designated or constituted;

(w) "**Plan**" means this deferred share unit plan of the Corporation, as the same may be supplemented and amended from time to time;

(x) "**Quarter**" means a fiscal quarter of the Corporation, which, until changed by the Corporation, shall be the three month period ending March 31, June 30, September 30 and December 31 in any year and "Quarterly" means each "Quarter";

(y) "**Related Corporation**" means a corporation related to the Corporation for the purposes of the *Income Tax Act* (Canada);

(z) "**Security Based Compensation Arrangement**" has the meaning set forth in the applicable rules of the Toronto Stock Exchange or similar term on another applicable Stock Exchange, as applicable;

(aa) "**Share**" means a common share of the Corporation and such other share as may be substituted for it as a result of any amendments to the articles of the Corporation, or consolidation, merger, amalgamation, arrangement, reorganization or otherwise involving the Corporation, including any rights that form a part of the common share or substituted share;

(bb) "**Stock Exchange**" means the Toronto Stock Exchange, or if the Shares are not listed on the Toronto Stock Exchange, such other stock exchange on which the Shares are listed, or if the Shares are not listed on any stock exchange, then on the over-the-counter market;

(cc) "**Stock Exchange Rules**" means the applicable rules of any stock exchange upon which shares of the Corporation are listed;

(dd) "**Termination Date**" means, with respect to an Eligible Participant, the earliest date on which: (i) if the Eligible Participant was a Non-Employee Director, he/she has ceased to hold the office of Director for any reason whatsoever, including the death of the Eligible Participant and is not an employee of the Corporation or a Related Corporation; (ii) if the Eligible Participant was a Designated Executive, he/she is no longer employed by the Corporation or any Related Corporation and is not a Director or a member of the board of directors of a Related Corporation; provided that, solely with respect to any Eligible Participant who is a U.S. Taxpayer, such cessation of services is also a "separation from service" within the meaning of Section 409A of the Code such that it is reasonably anticipated that no further services will be performed;

(ee) "**Trading Day**" means any date on which the Stock Exchange is open for the trading of Shares and on which Shares are actually traded; and

(ff) "**U.S. Taxpayer**" means an Eligible Participant who is a citizen or permanent resident of the United States for purposes of the Code or an Eligible Participant for whom the compensation subject to deferral, the amounts payable or the Shares deliverable under the Plan are subject to taxation under the Code.

### 1.3 Effective Date

The Plan shall be effective as of July 21, 2016.

### 1.4 Eligibility

The Board may designate any officer or employee of the Corporation as eligible to receive an award of Deferred Share Units under Section 2.3.2.

If an Eligible Participant becomes an officer (other than non-executive Chair of the Board) or employee of the Corporation while remaining as a Director, his or her eligibility to receive Deferred Share Units pursuant to an election in accordance with Section 2.2 shall be suspended effective as of the date of the commencement of his or her employment and shall resume upon termination of such employment provided he continues as a Director of the Corporation; provided, however, that in the case of any U.S. Taxpayer, the portion of such U.S. Taxpayer's Annual Remuneration attributable to his or her services as a Director of the Corporation shall remain subject to any election in accordance with Section 2.2 in effect as of the date of commencement of his or her employment. During the period of such ineligibility, such individual shall be entitled to continue to be credited with Deferred Share Units allocated as dividend equivalents under Section 2.5.

### 1.5 Construction

In this Plan, all references to the masculine include the feminine; references to the singular shall include the plural and vice versa, as the context shall require. If any provision of the Plan or part hereof is determined to be void or unenforceable in whole or in part, such determination shall not affect the validity or enforcement of any other provision or part thereof. Headings wherever used herein are for reference purposes only and do not limit or extend the meaning of the provisions contained herein. References to "Section" or "Sections" mean a section or sections contained in the Plan unless expressly stated otherwise. All amounts referred to in this Plan are stated in Canadian dollars unless otherwise indicated.

### 1.6 Administration

The Board shall, in its sole and absolute discretion: (i) interpret and administer the Plan; (ii) establish, amend and rescind any rules and regulations relating to the Plan; (iii) have the power to delegate, on such terms as the Board deems appropriate, any or all of its powers hereunder to any committee of the Board or officer of the Corporation; and (iv) make any other determinations that the Board deems necessary or desirable for the administration of the Plan. The Board may correct any defect or supply any omission or reconcile any inconsistency in the Plan in the manner and to the extent the Board deems, in its sole and absolute discretion, necessary or desirable. Any decision of the Board with respect to the administration and interpretation of the Plan shall be conclusive and binding on the Eligible Participant and any other person claiming an entitlement or benefit through the Eligible Participant. All expenses of administration of the Plan shall be borne by the Corporation as determined by the Board. Where the Board has delegated any of its powers with respect to any matter hereunder to any committee of the Board or officer of the Corporation any reference in the Plan to a determination, decision or other action by the Board with respect to such matter shall be construed as a reference to such committee or officer.

### 1.7 Governing Law

The Plan shall be governed by and interpreted in accordance with the laws of the Province of Ontario and any actions, proceedings or claims in any way pertaining to the Plan shall be commenced in the courts of the Province of Ontario.

## Section 2 Election Under the Plan and Deferred Share Unit Awards

### 2.1 Payment of Annual Remuneration

Subject to Section 2.2 and such rules, regulations, approvals and conditions as the Board may impose, an Eligible Participant who is a Non-Employee Director may elect to receive his or her Annual Remuneration in the form of Deferred Share Units, cash or any combination thereof.

### 2.2 Election Process

(a) A person who is a Non-Employee Director on the effective date of the Plan may elect to receive a percentage (as specified in the Election Notice) of his or her Annual Remuneration earned after such effective date of the Plan in Deferred Share Units, cash or combination of Deferred Share Units and cash by completing and delivering to the Secretary of the Corporation an initial Election Notice by no later than 30 days after the effective date of the Plan, which shall apply to the Non-Employee Director's Annual Remuneration earned in Quarters that commence after the date the election is made; provided, however, that in the case of any U.S. Taxpayer who has made an election pursuant to Section 2.2 of the Element Financial Corporation Deferred Share Unit Plan for Directors and Executives that is in effect as of immediately prior to the effective date of the Plan, such election shall remain in effect with respect to the Annual Remuneration of such U.S. Taxpayer until a new election may be made in accordance with Section 2.2(c).

(b) A person who becomes a Non-Employee Director during a year may elect to receive a percentage (as specified in the Election Notice) of his or her Annual Remuneration earned in Quarters that commence after the date the election is made in Deferred Share Units, cash or combination of Deferred Share Units and cash by completing and delivering to the Secretary of the Corporation an Election Notice. An Election Notice shall not be effective to require that Annual Remuneration earned in the year in which the individual becomes a Non-Employee Director be provided in the form of Deferred Share Units if (i) such Election Notice is not completed and delivered to the Secretary of the Corporation within 30 days after the individual becomes a Non-Employee Director; or (ii) the individual previously participated in, or was eligible to participate in, this Plan or any other plan that is required to be aggregated with this Plan for purposes of Section 409A of the Code.

(c) A Non-Employee Director who has previously made an election under this Section 2.2, or who has never made any election under the Plan but who was previously eligible to do so, may elect to receive a percentage (as specified in the Election Notice) of his or her Annual Remuneration for subsequent Quarters in Deferred Share Units, cash or combination of Deferred Share Units and cash by completing and delivering to the Secretary of the Corporation a new Election Notice on or before the day immediately preceding the first day of the first such Quarter; provided, however, that, for greater certainty, any such new election made by a Non-Employee Director who is a U.S. Taxpayer shall only apply to Annual Remuneration payable in the subsequent calendar years (rather than subsequent calendar Quarters).

(d) The Board may prescribe election forms for use by Non-Employee Directors who are residents of a jurisdiction other than Canada that differ from the election forms it prescribes for use by Canadian resident Non-Employee Directors where the Board

determines it is necessary or desirable to do so to obtain comparable treatment for the Plan, the Non-Employee Directors or the Corporation under the laws or regulatory policies of such other jurisdiction as is provided under the laws and regulatory policies of Canada and its Provinces, provided that no election form prescribed for use by a non-resident of Canada shall contain terms that would cause the Plan to cease to meet the requirements of paragraph 6801(d) of the regulations under the *Income Tax Act* (Canada) and any successor to such provisions.

(e) For greater certainty, if the Corporation establishes a policy for members of the Board with respect to the acquisition and / or holding of Shares and / or Deferred Share Units, each Non-Employee Director shall ensure that any election he or she makes under this Section 2.2 complies with such policy.

**2.3 Deferred Share Unit Awards**

**2.3.1** Deferred Share Units elected by an Eligible Participant pursuant to Section 2.2 shall be credited to the Eligible Participant's Account as of the applicable Conversion Date. The number of Deferred Share Units (including fractional Deferred Share Units) to be credited to an Eligible Participant's Account as of a particular Conversion Date pursuant to this Section 2.3.1 shall be determined by dividing the portion of that Eligible Participant's Annual Remuneration for the applicable period to be satisfied by Deferred Share Units by the Fair Market Value on the particular Conversion Date.

**2.3.2** The Board may award such number of Deferred Share Units to an Eligible Participant as the Board deems advisable to provide the Eligible Participant with appropriate equity-based compensation for the services he or she renders to the Corporation as a Non-Employee Director or Designated Executive. In the case of an Eligible Participant who is a Non-Employee Director, an award of Deferred Share Units under this Section 2.3.2 may be made in addition to an award of Deferred Share Units granted pursuant to Section 2.3.1.The Board shall determine the date on which such Deferred Share Units may be granted and the date as of which such Deferred Share Units shall be credited to a Participant's Deferred Share Unit Account, together with any terms or conditions with respect to the vesting of such Deferred Share Units. The Corporation and an Eligible Participant who receives an award of Deferred Share Units pursuant to this Section 2.3.2 shall enter into a DSU Award Agreement to evidence the award and the terms, including terms with respect to vesting, applicable thereto.

**2.3.3** Deferred Share Units credited to an Eligible Participant's Account under Section 2.3.1, together with any additional Deferred Share Units granted in respect thereof under Section 2.4, will be fully vested upon being credited to an Eligible Participant's Account and the Eligible Participant's entitlement to payment of such Deferred Share Units at his or her Termination Date shall not thereafter be subject to satisfaction of any requirements as to any minimum period of membership on the Board.

**2.3.4** Deferred Share Units credited to an Eligible Participant's Account under Section 2.3.2, together with any additional Deferred Share Units granted in respect thereof under Section 2.4, will vest in accordance with such terms and conditions as may be determined by the Board and set out in the DSU Award Agreement.

**2.3.5** The Board may specify in a DSU Award Agreement entered into pursuant to Section 2.3.2 whether the Deferred Share Units subject to such agreement will be settled in cash or Shares, or both cash and Shares, provided that where a DSU Award Agreement does not provide for the settlement of the Deferred Share Units subject to such agreement in Shares, such Deferred Share Units may only be settled in cash.

**2.4 Maximum Number of Shares and Limits**

**2.4.1** Subject to Section 2.4.2, and to adjustment pursuant to Section 2.7, the maximum number of Shares that may be issued under the Plan shall be a number equal to 10% of the number of issued and outstanding Shares on a non-diluted basis at any time, provided that the number of Shares issued or issuable under all Security Based Compensation Arrangements of the Corporation shall not exceed 10% of the issued and outstanding Shares, calculated from time to time at the date at which the rights to acquire Shares under such Security Based Compensation Arrangements are granted.

**2.4.2** All Shares subject to Deferred Share Units that terminate or are cancelled without being settled shall be available for any subsequent grant.

**2.4.3** The aggregate equity award value of any grants of Deferred Share Units under Section 2.3.2 that are eligible to be settled in Shares, in combination with the aggregate equity award value, of any grants under any other Security Based Compensation Arrangement, that may be made to a Non-Employee Director for a year shall not exceed $150,000.

**2.4.4** Under this Plan and any other Security Based Compensation Arrangements of the Corporation:

(a) the number of Shares issuable to Insiders, and

(b) the number of Shares issued to Insiders, within a one year period

shall not exceed 10% of the issued and outstanding Shares.

**2.4.5** Notwithstanding anything herein to the contrary, the Corporation's obligation to issue and deliver Shares in respect of any Deferred Share Unit is subject to the satisfaction of all requirements under Applicable Law in respect thereof and obtaining all regulatory approvals as the Corporation shall determine to be necessary or advisable in connection with the authorization, issuance or sale thereof and the receipt from the Eligible Participant of such representations, agreements and undertakings as to future dealings in such Shares as the Corporation determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction or to comply with Applicable Law. In this connection, the Corporation shall take all reasonable steps to obtain such approvals and registrations as may be necessary for the issuance of such Shares in compliance with Applicable Law.

**2.5 Dividends**

On any payment date for dividends paid on Shares, an Eligible Participant shall be credited with dividend equivalents in respect of Deferred Share Units credited to the Eligible Participant's Account as of the record date for payment of such dividends. Such dividend equivalents shall be converted into additional Deferred Share Units (including fractional Deferred Share Units) based on the Fair Market Value as of the date on which the dividends on the Shares are paid. For greater certainty, additional Deferred Share Units shall continue to be credited under this Section 2.5 with respect to Deferred Share Units that remain credited to the Eligible Participant's Account after his or her Termination Date.

**2.6 Eligible Participant's Account**

An Eligible Participant's Account shall record at all times the number of Deferred Share Units standing to the credit of the Eligible Participant. Upon payment in satisfaction of Deferred Share Units credited to an Eligible Participant in the manner described herein, such Deferred Share Units shall be cancelled. A written

confirmation of the balance in each Eligible Participant's Account shall be provided by the Corporation to the Eligible Participant at least annually.

**2.7 Adjustments and Reorganizations**

Notwithstanding any other provision of the Plan, in the event of any change in the Shares by reason of any stock dividend, split, recapitalization, reclassification, amalgamation, arrangement, merger, consolidation, combination or exchange of Shares or distribution of rights to holders of Shares or any other form of corporate reorganization whatsoever, an equitable adjustment permitted under Applicable Law shall be made to any Deferred Share Units then outstanding. Such adjustment shall be made by the Board, subject to Applicable Law, shall be conclusive and binding for all purposes of the Plan.

Notwithstanding any other provision of the Plan, the value of a DSU shall always depend on the value of Shares of the Corporation or a Related Corporation and no amount will be paid to, or in respect of, an Eligible Participant under the Plan or pursuant to any other arrangement, and no additional DSUs will be granted to any Eligible Participant to compensate for a downward fluctuation in the price of Shares, nor will any other form of benefit be conferred upon, or in respect of, an Eligible Participant for such purpose.

**Section 3 <u>Redemptions</u>**

**3.1 Redemption of Deferred Share Units – Non-US Taxpayers**

Subject to Sections 4.4 and 4.5, an Eligible Participant who is not a U.S. Taxpayer may elect up to two separate dates as of which either a portion (specified in whole percentages or number of Deferred Share Units on any one date) or all of the Deferred Share Units credited to the Eligible Participant's Account shall be redeemed (each such date being an "**Entitlement Date**") by filing one or two irrevocable written redemption elections with the Secretary of the Corporation prior to the Entitlement Date specified in the redemption election. No Entitlement Date elected by an Eligible Participant pursuant to this Section 3.1 shall be before the Eligible Participant's Termination Date or later than December 15 of the calendar year following the year in which the Eligible Participant's Termination Date occurs. Where an Eligible Participant to whom this Section 3.1 applies does not elect a particular date or dates within the permissible period set out above as his or her Entitlement Date or Entitlement Dates, as the case may be, there shall be a single Entitlement Date for such Eligible Participant which, subject to Sections 3.4 and Section 3.5, shall be December 15 of the year following the year in which the Eligible Participant's Termination Date occurs.

**3.2 Redemption of Deferred Share Units – US Taxpayer**

Notwithstanding anything contrary in the Plan, subject to Section 3.4 and Section 3.6, the Entitlement Date of an Eligible Participant who is a U.S. Taxpayer shall be the first Trading Day that is more than six months after his or her Termination Date and all vested Deferred Share Units credited to such Eligible Participant's Account on such date shall be redeemed and settled in accordance with Section 4.3 on or soon as practicable after such Entitlement Date and in any event by December 31 of the calendar year that includes such Entitlement Date.

**3.3 Settlement of Deferred Share Units**

Subject to Section 4.13, an Eligible Participant, or the Beneficiary of an Eligible Participant, as the case may be, whose Deferred Share Units are redeemed hereunder as of an Entitlement Date shall be entitled to receive from the Corporation, as a single distribution and not in installments, a cash payment, Shares or any combination of cash and Shares, as determined by the Board, subject to the DSU Award Agreement applicable to such Deferred Share Units, if any. Settlement in Shares shall be made by way of the issuance by the Corporation of one Share for each Deferred Share Unit being settled in Shares as of the relevant

Entitlement Date. Settlement of Deferred Share Units in cash shall be made by way of the lump sum payment of an amount equal to the Fair Market Value on the relevant Entitlement Date multiplied by the number of Deferred Share Units being settled in cash as of such Entitlement Date. No fractional Shares will be issued and any fractional Deferred Share Units shall be settled in cash based on the Fair Market Value on the relevant Entitlement Date.

**3.4 Extended Entitlement Date**

In the event that the Board is unable, by an Eligible Participant's Entitlement Date, to compute the final value of the Deferred Share Units recorded in such Eligible Participant's Account that will be settled in cash by reason of the fact that any data required in order to compute the Fair Market Value has not been made available to the Board and such delay is not caused by the Eligible Participant, then the Entitlement Date shall be the next following Trading Day on which such data is made available to the Board.

**3.5 Limitation on Extension of Entitlement Date**

Notwithstanding any other provision of the Plan, all Shares issuable and all amounts payable to, or in respect of, an Eligible Participant hereunder shall be issued or paid, as the case may be, on or before December 31 of the calendar year commencing immediately after the Eligible Participant's Termination Date.

**3.6 Settlement of Deferred Share Units following a Change of Control**

(a) Any unvested Deferred Share Units will immediately and automatically vest upon the date a Change of Control becomes effective.

(b) In the event an Eligible Participant's Termination Date is within twelve (12) months following a Change of Control, the Board may, in its discretion, determine that, as of the Eligible Participant's Entitlement Date(s), the Eligible Participant or his or her Beneficiary, as the case may, shall receive a payment in cash of an aggregate amount equal to the product of (i) the price attributed to the Shares in connection with the transaction resulting in the Change of Control (or the fair market value of a Share at the time of such transaction as determined by the Board in good faith if no Share price was in fact established for purposes of such transaction) multiplied by (ii) the number of Deferred Share Units being settled as of the applicable Entitlement Date. Where an amount is in respect of an Eligible Participant's Deferred Share Units is paid pursuant to this Section 3.6, no amount shall be payable and no Shares shall be issuable in respect of such Deferred Share Units pursuant to Section 3.3.

**Section 4 <u>General</u>**

**4.1 Rights as an Unsecured Creditor**

To the extent any individual holds any rights by virtue of an election under the Plan, such rights (unless otherwise determined by the Board) shall be no greater than the rights of an unsecured general creditor of the Corporation.

**4.2 Successors and Assigns**

The Plan shall be binding on all successors and permitted assigns of the Corporation and an Eligible Participant, including without limitation, the estate of such Eligible Participant and the legal representative

of such estate, or any receiver or trustee in bankruptcy or representative of the Corporation's or the Eligible Participant's creditors.

**4.3 Plan Amendment**

**4.3.1** The Plan and any Deferred Share Units granted thereunder may be amended, modified or terminated by the Board without approval of shareholders, provided that no amendment to the Plan or any Deferred Share Units granted thereunder may be made without the consent of the Eligible Participant if it adversely alters or impairs the rights of the Eligible Participant in respect of any Deferred Share Units such Eligible Participant has then elected to receive, or Deferred Share Units which such Eligible Participant has been granted under the Plan, except that Eligible Participant consent shall not be required where the amendment is required for purposes of compliance with Applicable Law. Without limiting the generality of the foregoing, the Board may make the following amendments to the Plan or a Deferred Share Unit granted under the Plan, as applicable, without obtaining the approval of any Eligible Participant or shareholder of the Corporation:

(i) amendments to the terms and conditions of the Plan necessary to ensure that the Plan complies with applicable law and regulatory requirements, including the requirements of any applicable Stock Exchange, in place from time to time;

(ii) amendments to the provisions of the Plan respecting administration of the Plan and eligibility for participation under the Plan;

(iii) amendments to the provisions of the Plan respecting the terms and conditions on which Deferred Share Units may be granted pursuant to the Plan;

(iv) amendments to the Plan that are of a "housekeeping" nature;

(v) amendments to the provisions relating to a Change of Control; and

(vi) any other amendments not requiring shareholder approval under applicable laws or the requirements of any applicable Stock Exchange.

Without limiting the generality of the foregoing, the Board may not, without the approval of the Corporation's shareholders, make amendments to the Plan or a Deferred Share Unit granted under the Plan with respect to the following:

(vii) an increase to the maximum number or percentage of securities issuable under the Plan;

(viii) a change in the term of any Deferred Share Units;

(ix) an amendment to the amending provisions of the Plan granting additional powers to the Board to amend the Plan or entitlements thereunder;

(x) a reduction in the Fair Market Value in respect of any Deferred Share Units benefitting an Insider;

(xi) any change to the categories of individuals eligible to be selected for grants of Deferred Share Units where such change may broaden or increase the participation of Non-Employee Directors under the Plan;

(xii) any changes to the Insider participation limits set out in Section 2.4.4

(xiii) any amendments that increase Non-Employee Director participation limits set out in Section 2.4.3;

(xiv) an amendment to the prohibitions on assignment or transfer of Deferred Share Units in Section 4.9.2; or

(xv) an amendment to the amendment provisions in this Section 4.3.1.

**4.3.2** Notwithstanding Section 4.3.1, any amendment of the Plan shall be such that the Plan continuously meets the requirements of paragraph 6801(d) of the regulations under the *Income Tax Act* (Canada) or any successor to such provision and the requirements of Section 409A of the Code, as may apply to Eligible Participants who are U.S. Taxpayers. For avoidance of doubt, and notwithstanding Section 4.3.1, if any provision of the Plan or any DSU Award Agreement contravenes any regulations or U.S. Treasury guidance promulgated under Section 409A of the Code or would cause the Deferred Share Units to be subject to the interest, taxes and penalties under Section 409A of the Code, such provision of the Plan or the applicable DSU Award Agreement shall, to the extent that it applies to U.S. Taxpayers, be modified, without the consent of any Eligible Participant, to maintain, to the maximum extent practicable, the original intent of the applicable provision without violating the provisions of Section 409A of the Code.

**4.4 Plan Termination**

The Board may terminate the Plan at any time but no such termination shall, without the consent of the Eligible Participant or unless required by law, adversely affect the rights of an Eligible Participant with respect to any amount in respect of which an Eligible Participant has then elected to receive Deferred Share Units or Deferred Share Units which the Eligible Participant has then been granted under the Plan. Notwithstanding the foregoing, any termination of the Plan shall be such that the Plan continuously meets the requirements of paragraph 6801(d) of the regulations under the *Income Tax Act* (Canada) or any successor to such provision and the requirements of Section 409A of the Code as may apply to Eligible Participants who are U.S. Taxpayers.

**4.5 Applicable Trading Policies and Reporting Requirements**

The Board and each Eligible Participant will ensure that all actions taken and decisions made by the Board or an Eligible Participant, as the case may be, pursuant to the Plan, comply with applicable securities regulations and policies of the Corporation relating to insider trading and "black out" periods.

**4.6 Currency**

All payments and benefits under the Plan shall be determined and paid in the lawful currency of Canada.

**4.7 Designation of Beneficiary**

Subject to the requirements of Applicable Law, an Eligible Participant may designate in writing a person who is a dependant or relation of the Eligible Participant as a beneficiary to receive any benefits that are payable under the Plan upon the death of such Eligible Participant. The Eligible Participant may, subject to Applicable Law, change such designation from time to time. Such designation or change shall be in the form of Schedule C. The initial designation of each Eligible Participant shall be executed and filed with

the Secretary of the Corporation within sixty (60) days following the Effective Date of the Plan. Changes to such designation may be filed from time to time thereafter.

**4.8 Death of Eligible Participant**

In the event of an Eligible Participant's death, any and all Deferred Share Units then credited to the Eligible Participant's Account shall become payable to the Eligible Participant's Beneficiary in accordance with Sections 4.3, 4.4 and 4.5 as soon as reasonably practicable after the Eligible Participant's date of death and such date of death shall be deemed to be the sole Entitlement Date with respect to the Eligible Participant; provided that, solely with respect to an Eligible Participant who is a U.S. Taxpayer, in no event shall such payment be made later than December 31 of the calendar year in which the death occurs, or if later, the 15th day of the third month following the date of death.

**4.9 Rights of Eligible Participants**

**4.9.1** Except as specifically set out in the Plan, no Eligible Participant, or any other person shall have any claim or right to any benefit in respect of Deferred Share Units granted or amounts payable pursuant to the Plan.

**4.9.2** Rights of Eligible Participants respecting Deferred Share Units and other benefits under the Plan shall not be transferable or assignable other than by will or the laws of descent and distribution.

**4.9.3** The Plan shall not be construed as granting an Eligible Participant a right to be retained as a member of the Board or a claim or right to any future grants of Deferred Share Units, future amounts payable or other benefits under the Plan.

**4.9.4** Under no circumstances shall Deferred Share Units be considered Shares nor shall they entitle any Eligible Participant or other person to exercise voting rights or any other rights attaching to the ownership of Shares.

**4.10 Compliance with Law**

Any obligation of the Corporation pursuant to the terms of the Plan is subject to compliance with Applicable Law. The Eligible Participants shall comply with Applicable Law and furnish the Corporation with any and all information and undertakings as may be required to ensure compliance therewith.

**4.11 Administration Costs**

The Corporation will be responsible for all costs relating to the administration of the Plan.

**4.12 Limited Liability**

No member of the Board or any officer or employee of the Corporation or any subsidiary, partnership, trust of the Corporation or other controlled entity (each an "**ECN Capital Entity**") shall be liable for any action or determination made in good faith pursuant to the Plan, any Election Notice or DSU Notice under the Plan. To the fullest extent permitted by law, the Corporation and the Related Corporations shall indemnify and save harmless each person made, or threatened to be made, a party to any action or proceeding in respect of the Plan by reason of the fact that such person is or was a member of the Board or is or was an officer or employee of the Corporation or a ECN Capital Entity.

**4.13 Withholding**

So as to ensure that the Corporation will be able to comply with the applicable provisions of any Applicable Law relating to the withholding of tax or other required deductions, the Corporation may withhold from any amount payable to an Eligible Participant, either under the Plan or otherwise, such amount as may be necessary to enable the Corporation to comply with the applicable requirements of any federal or provincial tax law or authority relating to the withholding of tax or any other required deductions with respect to Deferred Share Units. The Corporation may also satisfy any liability for any such withholding obligations, on such terms and conditions as the Corporation may determine in its discretion, by (a) selling on behalf of any Eligible Participant, or causing any Eligible Participant to sell, any Shares issued hereunder, or retaining any amount payable, which would otherwise be provided or paid to the Eligible Participant hereunder or (b) requiring an Eligible Participant, as a condition to the redemption of any Deferred Share Units, to make such arrangements as the Corporation may require so that the Corporation can satisfy such withholding obligations, including, without limitation, requiring the Eligible Participant to remit to the Corporation in advance, or reimburse the Corporation for, any such withholding obligations.

**4.14 Section 409A of the Code**

**4.14.1** Notwithstanding any provision of the Plan to the contrary, it is intended that any payments under the Plan comply with Section 409A of the Code, and all provisions of the Plan shall be construed and interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A of the Code.

**4.14.2** Each payment made in respect of Deferred Share Units shall be deemed to be a separate payment for purposes of Section 409A of the Code.

**4.14.3** Each U.S. Taxpayer is solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on or for the account of such U.S. Taxpayer in connection with the Plan or any other plan maintained by the Corporation (including any taxes and penalties under Section 409A of the Code), and neither the Corporation nor any ECN Capital Entity shall have any obligation to indemnify or otherwise hold such U.S. Taxpayer (or any Beneficiary) harmless from any or all of such taxes or penalties.

**4.14.4** No U.S. Taxpayer or the creditors or beneficiaries of a U.S. Taxpayer shall have the right to subject any payments made in respect of Deferred Share Units to any anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment or garnishment. Except as permitted under Section 409A of the Code, any payments made in respect of Deferred Share Units payable to any U.S. Taxpayer or for the benefit of any U.S. Taxpayer may not be reduced by, or offset against, any amount owing by any such U.S. Taxpayer to any ECN Capital Entity.

**EXHIBIT C**

**ECN CAPITAL CORP.**
**SHARE UNIT PLAN**

*Enacted July 21, 2016*

## 1. PREAMBLE AND DEFINITIONS

1.1 **Title**.

The Plan described in this document shall be called the "ECN Capital Corp. Share Unit Plan".

1.2 **Purpose of the Plan**.

The purposes of the Plan are:

(i) to promote a further alignment of interests between employees and the shareholders of the Corporation;

(ii) to associate a portion of employees' compensation with the returns achieved by shareholders of the Corporation; and

(iii) to attract and retain employees with the knowledge, experience and expertise required by the Corporation.

1.3 **Definitions**.

(a) "**Applicable Law**" means any applicable provision of law, domestic or foreign, including, without limitation, applicable securities legislation, together with all regulations, rules, policy statements, rulings, notices, orders or other instruments promulgated thereunder, and Stock Exchange Rules;

(b) "**Beneficiary**" means an individual who, on the date of a Participant's death, is the person who has been designated in accordance with Section 8.7 and the laws applying to the Plan, or where no such individual has been validly designated by the Participant, or where the individual does not survive the Participant, the Participant's legal representative;

(c) "**Black-Out Period**" means a period of time imposed pursuant to the Insider Trading Policy of the Corporation upon certain designated persons during which those persons may not trade in any securities of the Corporation;

(d) "**Board**" means the Board of Directors of the Corporation;

(e) "**Cause**" in respect of a Participant has the meaning ascribed thereto in Participant's written employment agreement with the Corporation or an ECN Capital Entity, or, in the event the Participant is not party to any such written employment agreement, means "just cause" "or "cause" for termination of the Participant's employment by the Corporation or an ECN Capital Entity as determined under Applicable Law;

(f) "**Change of Control**" means:

(i) the consummation of any transaction or series of transactions including any consolidation, amalgamation, arrangement, merger or issue of voting shares in the capital of the Corporation, the result of which is that any Person or group of Persons acting jointly or in concert for purposes of such transaction becomes the beneficial owner, directly or indirectly, of more than 50% of the voting shares in the capital of the Corporation, measured by voting power rather than number of shares (but shall not include the creation of a holding company or similar transaction that does not involve any material change in the indirect beneficial ownership of the shares in the capital of the Corporation);

(ii) the direct or indirect sale, transfer or other disposition, in one or a series of related transactions, of all or substantially all of the assets of the Corporation, taken as a whole, to any Person or group of Persons acting jointly or in concert for purposes of such transaction (other than to any affiliates of the Corporation);

(iii) the election at a meeting of the Corporation's shareholders of that number of individuals that would represent a majority of the Board as Directors of the Corporation, who are not included in the slate for election as Directors proposed to the Corporation's shareholders by management of the Corporation or a transaction or series of transactions as a result of which a majority of the directors of the Corporation are removed from office at any annual or special meeting of shareholders or as a result of a transaction referred to in clause (i) immediately above, or a majority of the Directors of the Corporation resign from office over a period of 60 days or less, and the vacancies created thereby are filled by nominees proposed by any Person other than Directors or management of the Corporation in place immediately prior to the removal or resignation of the Directors; or

(iv) the completion of any transaction or the first of a series of transactions which would have the same or similar effect as any transaction or series of transactions referred to in clauses (i), (ii) or (iii), referred to immediately above;

(g) "**Code**" means the United States Internal Revenue Code of 1986, as amended, and any applicable United States Treasury Regulations and other binding regulatory guidance thereunder;

(h) "**Committee**" means the Corporate Governance and Compensation Committee of the Board, or such other the committee of the Board as is designated by the Board to administer the Plan from time to time;

(i) "**Corporation**" means ECN Capital Corp., a corporation incorporated under the laws of Ontario, and includes: (i) any successor to ECN Capital Corp. resulting from any amalgamation, arrangement or other reorganization of, or involving, ECN Capital Corp. or any continuance under the laws of another jurisdiction and (ii) any affiliate of ECN Capital Corp. or any such successor;

(j) "**Director**" means a member of the Board;

(k) "**Disability**" means the mental or physical state of the Participant such that, as a result of illness, disease, mental or physical disability or similar cause, the Participant has been unable to fulfil his or her obligations as an employee of the Corporation either for any consecutive six-month period or for any period of twelve months (whether or not consecutive) in any consecutive 24-month period, provided that, where the Participant has entered into a Participant Services Agreement with the Corporation, "Disability" will have the meaning attributed to that term, or the term equivalent in concept, contained in that Participant Services Agreement, and provided that the term "Disabled" has the same meaning with necessary grammatical changes; "**Disability Date**" means, in relation to a Participant, that date determined by the Committee to be the date on which the Participant experienced a Disability;

(l) "**ECN Capital Entity**" means any of the Corporation's subsidiaries, partnerships, trusts or other controlled entities and "**ECN Capital Entities**" means all such entities collectively;

(m) "**Eligible Person**" means an individual Employed by the Corporation or any ECN Capital Entity who, by the nature of his/her position or job is, in the opinion of the Committee, in a position to contribute to the success of the Corporation;

(n) "**Employed**" means, with respect to a Participant, that:

(i) he/she is rendering services to the Corporation or an ECN Capital Entity, excluding services as a Director; or

(ii) he/she is not actively rendering services to the Corporation or an ECN Capital Entity due to an approved leave of absence, maternity or parental leave or leave on account of Disability (provided, in the case of a U.S. Taxpayer, that the Participant has not incurred a "Separation From Service", as defined in Exhibit A to the Plan),

and "**Employment**' has the corresponding meaning;

(o) "**Fair Market Value**" means, (a) with respect to any particular date, the volume weighted average trading price per Share on the Stock Exchange during the immediately preceding ten (10) Trading Days, or (b) in any case in which the Shares are not listed on the Stock Exchange, the value established by the Corporation acting in good faith;

(p) "**Grant**" means a grant of Share Units made pursuant to Section 3.1;

(q) "**Grant Agreement**" means an agreement between the Corporation and a Participant under which a Grant is made, as contemplated by Section 3.1, together with such schedules, amendments, deletions or changes thereto as are permitted under the Plan;

(r) "**Grant Date**" means the effective date of a Grant;

(s) "**Grant Value**" means the dollar amount allocated to an Eligible Person in respect of a Grant as contemplated by Section 3;

(t) "**Insider**" has the meaning set forth in the applicable rules of the Toronto Stock Exchange or similar term on another applicable Stock Exchange;

(u) "**Participant**" has the meaning set forth in Section 3.2(a);

**(v)** "**Performance Period**" means, with respect to PSUs, the period specified by the Committee for achievement of any applicable Performance Conditions as a condition to Vesting;

**(w)** "**Performance Conditions**" means such financial, personal, operational or transaction-based performance criteria as may be determined by the Committee in respect of a Grant of PSUs to any Participant or Participants and set out in a Grant Agreement. Performance Conditions may apply to the Corporation, an ECN Capital Entity, the Corporation and ECN Capital Entities as a whole, a business unit of the Corporation or group comprised of the Corporation and some ECN Capital Entities or a group of ECN Capital Entities, either individually, alternatively or in any combination, and measured either in total, incrementally or cumulatively over a specified performance period, on an absolute basis or relative to a pre-established target or milestone, to previous years' results or to a designated comparator group, or otherwise, and may result in the percentage of Vested PSUs in a Grant exceeding 100% of the PSUs initially determined in respect of such Grant pursuant to Section 3.2(b);

(x) "**Person**" means any individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, regulatory body or agency, government or governmental agency, authority or entity however designated or constituted;

(y) "**Plan**" means this share unit plan of the Corporation, as the same may be supplemented and amended from time to time;

(z) "**PSU**" means a right, granted to a Participant in accordance with Section 3, to receive a Share, that generally becomes Vested, if at all, subject to the attainment of certain Performance Conditions and satisfaction of such other conditions to Vesting, if any, as may be determined by the Committee;

(aa) "**RSU**" means a right granted to a Participant in accordance with Section 3, to receive a Share, that generally becomes Vested, if at all, following a period of continuous Employment of the Participant with the Corporation or an ECN Capital Entity;

(bb) "**Security Based Compensation Arrangement**" has the meaning set forth in the applicable rules of the Toronto Stock Exchange or similar term on another applicable Stock Exchange, as applicable;

(cc) "**Share**" means a common share of the Corporation and such other share as may be substituted for it as a result of any amendments to the articles of the Corporation,

or consolidation, merger, amalgamation, arrangement, reorganization or otherwise involving the Corporation, including any rights that form a part of the common share or substituted share;

(dd) "**Share Unit**" means either an RSU or a PSU, as the context requires;

(ee) "**Share Unit Account**" has the meaning set out in Section 5.1;

(ff) "**Stock Exchange**" means the Toronto Stock Exchange, or if the Shares are not listed on the Toronto Stock Exchange, such other stock exchange on which the Shares are listed, or if the Shares are not listed on any stock exchange, then on the over-the-counter market;

(gg) "**Stock Exchange Rules**" means the applicable rules of any stock exchange upon which shares of the Corporation are listed;

(hh) "**Termination**" means (i) in the case of a Participant who is Employed by the Corporation or an ECN Capital Entity, the cessation of a Participant's active Employment with the Corporation or ECN Capital Entity (other than in connection with the Participant's transfer to Employment with the Corporation or an ECN Capital Entity), which shall occur on the earlier of the date on which the Participant ceases to render services to the Corporation or ECN Capital Entity, as applicable, and the date on which the Corporation or ECN Capital Entity, as applicable, delivers notice of the termination of the Participant's employment to him/her, whether such termination is lawful or otherwise, without giving effect to any period of notice or compensation in lieu of notice, but, for greater certainty, a Participant's absence from active work during a period of vacation, temporary illness, authorized leave of absence, maternity or parental leave or leave on account of Disability shall not be considered to be a "Termination"; and (ii) in the case of any Participant who does not return to active Employment with the Corporation or an ECN Capital Entity immediately following a period of absence due to vacation, temporary illness, authorized leave of absence, maternity or parental leave or leave on account of Disability, such cessation shall be deemed to occur on the last day of such period of absence (in each case, provided, in the case of a U.S. Taxpayer, that the Termination constitutes a "Separation From Service" as defined in Exhibit A to the Plan), and "**Terminated**" and "**Terminates**" shall be construed accordingly;

(ii) "**Time Vesting**" means any conditions relating to continued service with the Corporation or an ECN Capital Entity for a period of time in respect of the Vesting of Share Units determined by the Committee;

(jj) "**Trading Day**" means any date on which the Stock Exchange is open for the trading of Shares and on which Shares are actually traded;

(kk) "**U.S. Taxpayer**" means a Participant who is a citizen or permanent resident of the United States for purposes of the Code or a Participant for whom the amounts payable or Shares deliverable under the Plan are subject to taxation under the Code.

(ll) "**Valuation Date**" means the date as of which the Fair Market Value is determined for purposes of calculating the number of Share Units included in a Grant, which

unless otherwise determined by the Committee shall be the Grant Date of such Grant;

(mm) "**Vested**" means the applicable Time Vesting, Performance Conditions and/or any other conditions for payment or other settlement (subject to any conditions on such payment or settlement imposed in respect of U.S. Taxpayers under Exhibit "A" hereto) in relation to a whole number, or a percentage (which may be more or less than 100%) of the number, of PSUs or RSUs determined by the Committee in connection with a Grant of PSUs or Grant of RSUs, as the case may be, (i) have been met; (ii) have been waived or deemed to be met pursuant to Section 6.5, Section 6.6 or Section 6.7; (iii) or are otherwise waived pursuant to Section 3.3, and "Vesting" and "Vest" shall be construed accordingly;

(nn) "**Vesting Date**" means the date on which the applicable Time-Vesting, Performance Conditions and/or any other conditions for a Share Unit becoming Vested are met, deemed to have been met or waived as contemplated in Section 1.3(mm); and

(oo) "**Vesting Period**" means, with respect to a Grant, the period specified by the Committee, commencing on the Grant Date and ending on the last Vesting Date for Share Units subject to such Grant which, unless otherwise determined by the Committee, shall not be later than December 15 of the third year following the year in which the Participant performed the services to which the Grant relates.

## 2. CONSTRUCTION AND INTERPRETATION

2.1 **Gender, Singular, Plural.** In the Plan, references to the masculine include the feminine; and references to the singular shall include the plural and vice versa, as the context shall require.

2.2 **Governing Law.** The Plan shall be governed and interpreted in accordance with the laws of the Province of Ontario and any actions, proceedings or claims in any way pertaining to the Plan shall be commenced in the courts of the Province of Ontario.

2.3 **Severability.** If any provision or part of the Plan is determined to be void or unenforceable in whole or in part, such determination shall not affect the validity or enforcement of any other provision or part thereof.

2.4 **Headings, Sections.** Headings wherever used herein are for reference purposes only and do not limit or extend the meaning of the provisions herein contained. A reference to a section or schedule shall, except where expressly stated otherwise, mean a section or schedule of the Plan, as applicable.

## 3. SHARE UNIT GRANTS AND VESTING PERIODS

3.1 **Grant of Share Units**.

*Unless otherwise determined by the Board, the Plan shall be administered by the Committee. The Committee shall have the authority in its sole and absolute discretion to administer the Plan and to exercise all the powers and authorities either specifically granted to it under the Plan or necessary or advisable in the administration of the Plan*

*subject to and not inconsistent with the express provisions of this Plan, including, without limitation, the authority:*

(a) to make Grants;

(b) to determine the Grant Date for Grants, if not the date on which the Committee determines to make such Grants, provided that the Committee shall ensure that no Grant Date falls within a Blackout Period or within the first five Trading Days immediately following a Blackout Period;

(c) to determine the Eligible Persons to whom, and the time or times at which Grants shall be made and shall become issuable;

(d) to determine the Grant Value and the Valuation Date (if not the Grant Date) for each Grant and accordingly the number of Share Units to be covered by each Grant in accordance with Section 3.2;

(e) to approve or authorize the applicable form and terms of the related Grant Agreements and any other forms to be used in connection with the Plan;

(f) to determine the terms and conditions of Grants granted to any Participant, including, without limitation, (A) the type of Share Unit, (B) the number of RSUs or PSUs subject to a Grant, (C) the Vesting Period(s) applicable to a Grant, (D) the condition(s) to the Vesting of any Share Units granted hereunder, including terms relating to Performance Conditions, Time Vesting and/or other Vesting conditions, any multiplier that may apply to Share Units subject to a Grant in connection with the achievement of Vesting conditions, the Performance Period for PSUs and the conditions, if any, upon which Vesting of any Share Unit will be waived or accelerated without any further action by the Committee (including, without limitation, the effect of a Change of Control and a Participant's Termination in connection therewith), (E) the circumstances upon which a Share Unit shall be forfeited, cancelled or expire, (F) the consequences of a Termination with respect to a Share Unit, (G) the manner and time of exercise or settlement of Vested Share Units, and (H) whether and the terms upon which any Shares delivered upon exercise or settlement of a Share Unit must continue to be held by a Participant for any specified period;

(g) to determine whether and the extent to which any Performance Conditions or other criteria applicable to the Vesting of a Share Unit have been satisfied or shall be waived or modified;

(h) to amend the terms of any outstanding Grant under the Plan or Grant Agreement; provided, however, that no such amendment, suspension or termination shall be made at any time to the extent such action would materially adversely affect the existing rights of a Participant with respect to any then outstanding Share Unit without his/her consent in writing and provided further, however, that, notwithstanding the foregoing clause of this Section 3.1(h), the Committee may amend the terms of a Share Unit or Grant Agreement without the consent of the Participant for purposes of complying with Applicable Law whether or not such amendment could adversely affect the rights of the Participant;

(i) to determine whether, and the extent to which, adjustments shall be made pursuant to Section 5.3 and the terms of any such adjustments;

(j) to interpret the Plan and Grant Agreements;

(k) to prescribe, amend and rescind such rules and regulations and make all determinations necessary or desirable for the administration and interpretation of the Plan and Grant Agreements;

(l) to determine the terms and provisions of Grant Agreements (which need not be identical) entered into in connection with Grants; and

(m) to make all other determinations deemed necessary or advisable for the administration of the Plan.

3.2 **Eligibility and Award Determination**.

(a) In determining the Eligible Persons to whom Grants are to be made ("**Participants**") and the Grant Value for (and accordingly the number of Share Units to be covered by) each Grant (subject to adjustment in accordance with Time Vesting or Performance Conditions), the Committee shall take into account the terms of any written employment agreement between an Eligible Person and the Corporation or any ECN Capital Entity and may take into account such other factors as it shall determine in its sole and absolute discretion.

(b) The number of Share Units to be covered by each Grant shall be determined by dividing the Grant Value for such Grant by the Fair Market Value of a Share as at the Valuation Date for such Grant, rounded up to the next whole number of Share Units.

(c) For greater certainty and without limiting the discretion conferred on the Committee pursuant to this Section, the Committee's decision to approve a Grant in any period shall not require the Committee to approve a Grant to any Participant in any other period; nor shall the Committee's decision with respect to the size or terms and conditions of a Grant in any period require it to approve a Grant of the same or similar size or with the same or similar terms and conditions to any Participant in any other period. The Committee shall not be precluded from approving a Grant to any Participant solely because such Participant may have previously received a Grant under this Plan or any other similar compensation arrangement of the Corporation or an ECN Capital Entity. No Eligible Person has any claim or right to receive a Grant except as may be provided in a written employment agreement between an Eligible Person and the Corporation or an ECN Capital Entity.

(d) Each Grant Agreement shall set forth, at a minimum, the type of Share Units and Grant Date of the Grant evidenced thereby, the number of RSUs or PSUs subject to such Grant, the applicable Vesting conditions, the applicable Vesting Period(s) and the treatment of the Grant upon Termination and may specify such other terms and conditions consistent with the terms of the Plan as the Committee shall determine or as shall be required under any other provision of the Plan. The Committee may include in a Grant Agreement terms or conditions pertaining to confidentiality of information relating to the Corporation's operations or businesses which must be complied with by a Participant including as a condition of the grant or Vesting of Share Units.

3.3 **Discretion of the Committee**. Notwithstanding any other provision hereof or of any applicable instrument of grant, the Committee may accelerate or waive any condition to the Vesting of any Grant, all Grants, any class of Grants or Grants held by any group of Participants.

3.4 **Effects of Committee's Decision**. Any interpretation, rule, regulation, determination or other act of the Committee hereunder shall be made in its sole discretion and shall be conclusively binding upon all persons.

3.5 **Limitation of Liability**. No member of the Committee, the Board or any officer or employee of the Corporation or an ECN Capital Entity shall be liable for any action or determination made in good faith pursuant to the Plan or any Grant Agreement under the Plan. To the fullest extent permitted by law, the Corporation and the ECN Capital Entities shall indemnify and save harmless each person made, or threatened to be made, a party to any action or proceeding in respect of the Plan by reason of the fact that such person is or was a member of the Committee or the Board or is or was an officer or employee of the Corporation or an ECN Capital Entity.

3.6 **Delegation and Administration**. The Committee may, in its discretion, delegate such of its powers, rights and duties under the Plan, in whole or in part, to any one or more Directors, officers or employees of the Corporation as it may determine from time to time, on terms and conditions as it may determine, except the Committee shall not, and shall not be permitted to, delegate any such powers, rights or duties to the extent such delegation is not consistent with Applicable Law. The Committee may also appoint or engage a trustee, custodian or administrator to administer or implement the Plan or any aspect of it, except that the Committee shall not, and shall not be permitted to, appoint or engage such a trustee, custodian or administrator to the extent such appointment or engagement is not consistent with Applicable Law.

## 4. SHARES SUBJECT TO THE PLAN

4.1 **Maximum Number of Shares and Limitations.**

a. Subject to Section 4.2 and to adjustment pursuant to Section 5.3, the maximum number of Shares that may be issued under the Plan shall be a number equal to 10% of the number of issued and outstanding Shares on a non-diluted basis at any time, provided that the number of Shares issued or issuable under all Security Based Compensation Arrangements of the Corporation shall not exceed 10% of the issued and outstanding Shares, calculated from time to time at the date at which the rights to acquire Shares under such Security Based Compensation Arrangements are granted.

b. All Shares subject to Share Units that terminate or are cancelled without being settled shall be available for any subsequent Grant.

c. Under the Plan and any other Security Based Compensation Arrangement of the Corporation (i) the aggregate number of Shares issued to Insiders, within any one year period; and (ii) the aggregate number of Shares issuable to Insiders at any time, shall not exceed 10% of the issued and outstanding Shares.

4.2 **Issuance of Shares Subject to Applicable Law.** Notwithstanding anything herein to the contrary, the Corporation's obligation to issue and deliver Shares in respect of any Share Unit is subject to the satisfaction of all requirements under Applicable Law in respect thereof and obtaining all regulatory approvals as the Corporation shall determine to be necessary or advisable in connection with the authorization, issuance or sale thereof and the receipt from the Participant of such representations, agreements and undertakings as to future dealings in such Shares as the Corporation determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction or to comply with Applicable Law. In this connection, the Corporation shall take all reasonable steps to obtain such approvals and registrations as may be necessary for the issuance of such Shares in compliance with Applicable Law.

## 5. ACCOUNTS, DIVIDEND EQUIVALENTS AND REORGANIZATION

5.1 **Share Unit Account.** An account, called a "**Share Unit Account**", shall be maintained by the Corporation, or an ECN Capital Entity, as specified by the Committee, for each Participant and will be credited with such notional grants of Share Units as are received by a Participant from time to time pursuant to Sections 3.1 and 3.2 and any dividend equivalent Share Units pursuant to Section 5.2. Share Units that fail to Vest in a Participant and are forfeited pursuant to Section 6, or that are paid out to the Participant or his/her Beneficiary, shall be cancelled and shall cease to be recorded in the Participant's Share Unit Account as of the date on which such Share Units are forfeited or cancelled under the Plan or are paid out, as the case may be. For greater certainty, where a Participant is granted both RSUs and PSUs, such RSUs and PSUs shall be recorded separately in the Participant's Share Unit Account.

5.2 **Dividend Equivalent Share Units.** Except as otherwise provided in the Grant Agreement relating to a grant of RSUs or PSUs, if and when cash dividends (other than extraordinary or special dividends) are paid with respect to Shares to shareholders of record as of a record date occurring during the period from the Grant Date under the Grant Agreement to the date of settlement of the RSUs or PSUs granted thereunder, a number of dividend equivalent RSUs or PSUs, as the case may be, shall be granted to the Participant who is a party to such Grant Agreement. The number of such additional RSUs or PSUs will be calculated by dividing the aggregate dividends or distributions that would have been paid to such Participant if the RSUs or PSUs in the Participant's Share Unit Account had been Shares by the Fair Market Value on the date on which the dividends or distributions were paid on the Shares. The additional RSUs or PSUs granted to a Participant will be subject to the same terms and conditions, including Vesting and settlement terms, as the corresponding RSUs or PSUs, as the case may be.

5.3 **Adjustments.** In the event of any stock dividend, stock split, combination or exchange of shares, capital reorganization, consolidation, spin-off, dividends (other than cash dividends in the ordinary course) or other distribution of the Corporation's assets to shareholders, or any other similar changes affecting the Shares, a proportionate adjustment to reflect such change or changes shall be made with respect to the number of Share Units outstanding under the Plan, or securities into which the Shares are changed or are convertible or exchangeable may be substituted for Shares under this Plan, on a basis proportionate to the number of Share Units in the Participant's Share Unit Account or some other appropriate basis, all as determined by the Committee in its sole discretion.

## 6. VESTING AND SETTLEMENT OF SHARE UNITS

6.1 **Settlement.** A Participant's RSUs and PSUs, adjusted in accordance with the applicable multiplier, if any, as set out in the Grant Agreement, shall be settled as provided below to the Participant or his/her Beneficiary, upon or as soon as reasonably practicable following the Vesting thereof in accordance with Section 6.3, 6.5 or 6.6, as the case may be, subject to the terms of the applicable Grant Agreement. In all events, Vested RSUs and PSUs will be settled on or before the earlier of the ninetieth (90th) day following the Vesting Date and December 31 of the year in which Vesting occurred. The Committee may determine whether Vested RSUs or PSUs will be settled by way of a cash payment, the delivery of Shares or a combination of a cash payment and the delivery of Shares. Settlement in Shares shall be made by way of the issuance by the Corporation of one Share for each Vested RSU or PSU being settled in Shares. Settlement of Vested RSUs or PSUs in cash shall be made by way of the lump sum payment of an amount equal to the Fair Market Value on the relevant settlement date multiplied by the number of Vested RSUs or PSUs being settled in cash as of such date. No fractional Shares will be issued and any fractional Vested RSUs or PSUs shall be settled in cash based on the Fair Market Value on the relevant settlement date.

6.2 **Failure to Vest.** For greater certainty, a Participant shall have no right to receive any payment or other benefit as compensation, damages or otherwise, with respect to any RSUs or PSUs that do not become Vested.

6.3 **Continued Employment**. Subject to this Section 6, Share Units subject to a Grant and dividend equivalent Share Units credited to the Participant's Share Unit Account in respect of such Share Units shall vest in such proportion(s) and on such Vesting Date(s) as may be specified in the Grant Agreement governing such Grant provided that the Participant is Employed on the relevant Vesting Date. For greater certainty, a Participant shall not be considered to be Employed on a Vesting Date if, prior to such Vesting Date, such Participant received a payment in lieu of notice of Termination of Employment, whether under a contract of employment, as damages or otherwise.

6.4 **Termination of Employment for Cause or Resignation**. Subject to the terms of a Participant's written employment agreement with the Corporation or an ECN Capital Entity and unless otherwise determined by the Committee, in the event a Participant's Employment is terminated for Cause by the Corporation, or an ECN Capital Entity, as applicable, or a Participant's Employment with the Corporation or an ECN Capital Entity Terminates as a result of the Participant's resignation, no Share Units that have not Vested and been settled prior to the date of the Participant's Termination for Cause or the date on which the Participant submits his/her resignation, as the case may be, including dividend equivalent Share Units in respect of such Share Units, shall Vest and all such Share Units shall be forfeited immediately.

6.5 **Termination of Employment without Cause.** Subject to the terms of a Participant's written employment agreement with the Corporation or an ECN Capital Entity and the relevant Grant Agreement, in the event a Participant's Employment is terminated by the Corporation, or an ECN Capital Entity, as applicable, without Cause all RSUs and/or PSUs that have not previously Vested shall Vest on the effective date of Termination of the Participant's employment without Cause, provided that, in the case of a Grant of PSUs, the total number of PSUs that Vest shall be the number of PSUs covered by such Grant pursuant to Section 3.2(b) (together with any additional PSUs credited to the Participant's

Account under Section 5.2) without giving effect to any potential increase or decrease in such number as a result of graduated Performance Conditions permitting Vesting of more or less than 100% of such PSUs.

6.6 **Death or Disability.** Subject to the terms of a Participant's written employment agreement with the Corporation or an ECN Capital Entity and the relevant Grant Agreement, in the event the Participant dies or experiences a Disability prior to the end of a Vesting Period relating to a Grant:

(i) the number of RSUs determined by the formula A x B/C, where

A equals the total number of RSUs relating to such Grant that have not previously Vested and dividend equivalent RSUs in respect of such RSUs,

B equals the total number of days between the first day of the Vesting Period relating to such Grant and the Participant's date of death or Disability Date, as the case may be, and

C equals total number of days in the Vesting Period relating to such Grant,

shall become Vested RSUs on the Participant's date of death or Disability Date, as the case may be, and all other RSUs not so Vested shall be forfeited immediately; and

(ii) the number of PSUs, if any, that Vest shall be determined in accordance with the Grant Agreement governing such PSUs and any PSUs that do not Vest pursuant to the relevant Grant Agreement shall be forfeited immediately.

6.7 **Change of Control**. In the event of a Change of Control, subject to the terms of a Participant's written employment agreement with the Corporation or an ECN Capital Entity and the Grant Agreement in respect of the Grant, all RSUs and/or PSUs that have not previously Vested shall Vest on the effective date of the Change in Control, provided that, in the case of a Grant of PSUs, the total number of PSUs that Vest shall be the number of PSUs covered by such Grant pursuant to Section 3.2(b) (together with any additional PSUs credited to the a Participant's Account under Section 5.2) without giving effect to any potential increase or decrease in such number as a result of graduated Performance Conditions permitting Vesting of more or less than 100% of such PSUs. Share Units that Vest in accordance with this Section 6.7 shall be settled by a lump sum cash payment on the effective date of the Change of Control equal to the price attributed to the Shares in connection with the transaction resulting in the Change of Control (or the fair market value of a Share at the time of such transaction as determined by the Committee in good faith if no Share price was in fact established for purposes of such transaction) multiplied by the number of Vested Share Units..

## 7. CURRENCY

7.1 **Currency.** Except where the context otherwise requires, all references in the Plan to currency refer to lawful Canadian currency. Any amounts required to be determined under this Plan that are denominated in a currency other than Canadian dollars shall be converted to Canadian dollars at the applicable Bank of Canada noon rate of exchange on the date as of which the amount is required to be determined.

## 8. SHAREHOLDER RIGHTS

8.1 **No Rights to Shares.** Share Units are not Shares and a Grant of Share Units will not entitle a Participant to any shareholder rights, including, without limitation, voting rights, dividend entitlement or rights on liquidation.

## 9. MISCELLANEOUS

9.1 **Compliance with Laws and Policies.** The Corporation's obligation to make any payments hereunder is subject to compliance with Applicable Law. Each Participant shall acknowledge and agree (and shall be conclusively deemed to have so acknowledged and agreed by participating in the Plan) that the Participant will, at all times, act in strict compliance with Applicable Law and all other laws and any policies of the Corporation applicable to the Participant in connection with the Plan including, without limitation, furnishing to the Corporation all information and undertakings as may be required to permit compliance with Applicable Law.

9.2 **Withholdings.** So as to ensure that the Corporation or an ECN Capital Entity, as applicable, will be able to comply with the applicable provisions of any Applicable Law relating to the withholding of tax or other required deductions, the Corporation or ECN Capital Entity, as applicable, may withhold or cause to be withheld from any amount payable to or in respect of a Participant, either under this Plan or otherwise, such amount as may be necessary to permit the Corporation or ECN Capital Entity, as applicable, to so comply.

9.3 **No Right to Continued Employment/Service.** Nothing in the Plan or in any Grant Agreement entered into pursuant hereto shall confer upon any Participant the right to continue in the employ or service of the Corporation or any ECN Capital Entity, to be entitled to any remuneration or benefits not set forth in the Plan or a Grant Agreement or to interfere with or limit in any way the right of the Corporation or any ECN Capital Entity to terminate Participant's employment or service arrangement with the Corporation or any ECN Capital Entity.

9.4 **No Additional Rights.** Neither the designation of an individual as a Participant nor the grant of any Share Units to any Participant entitles any person to the grant, or any additional grant, as the case may be, of any Share Units under the Plan.

9.5 **Amendment, Termination.** The Plan and any Grant made pursuant to the Plan may be amended, modified or terminated by the Board without approval of shareholders, provided that no amendment to the Plan or Grants made pursuant to the Plan may be made without the consent of a Participant if it adversely alters or impairs the rights of the Participant in respect of any Grant previously granted to such Participant under the Plan, except that Participant consent shall not be required where the amendment is required for purposes of compliance with Applicable Law. Without limiting the generality of the foregoing, the Board may make the following amendments to the Plan or a Share Unit granted under the Plan, as applicable, without obtaining approval of any Participant or shareholder of the Corporation:

(xvi) amendments to the terms and conditions of the Plan necessary to ensure that the Plan complies with applicable law and regulatory requirements, including the requirements of any applicable Stock Exchange, in place from time to time;

(xvii) amendments to the provisions of the Plan respecting administration of the Plan and eligibility for participation under the Plan;

(xviii) amendments to the provisions of the Plan respecting the terms and conditions on which Share Units may be granted pursuant to the Plan;

(xix) amendments to the Plan that are of a "housekeeping" nature;

(xx) amendments to the provisions relating to a Change of Control; and

(xxi) any other amendments not requiring shareholder approval under Applicable Laws or the requirements of any Stock Exchange.

Without limiting the generality of the foregoing, the Board may not, without the approval of the Corporation's shareholders, make amendments to the Plan or a Share Unit granted under the Plan with respect to the following:

(xxii) an increase to the maximum number or percentage of securities issuable under the Plan;

(xxiii) amendment provisions granting additional powers to the Board to amend the Plan or entitlements thereunder;

**(xxiv)** any change to the categories of individuals eligible for grants of Share Units where such change may broaden or increase the participation of non-employee Directors; and

(xxv) any changes to the Insider participation limits set forth in Section 4.1;

(xxvi) an amendment to the prohibition on assignment or transfer of Share Units in Section 10.1; or

(xxvii) an amendment to the amendment provisions in this Section 9.5.

9.6 **Administration Costs.** The Corporation will be responsible for all costs relating to the administration of the Plan.

9.7 **Designation of Beneficiary.** Subject to the requirements of Applicable Law, a Participant may designate a Beneficiary, in writing, to receive any benefits that are payable under the Plan upon the death of such Participant. The Participant may, subject to Applicable Law, change such designation from time to time. Such designation or change shall be in such form as may be prescribed by the Committee from time to time. A Beneficiary designation under this Section 8.7 and any subsequent changes thereto shall be filed with the General Counsel of the Corporation.

## 10. ASSIGNMENT

10.1 Subject to Section 9.7, the assignment or transfer of the Share Units, or any other benefits under this Plan, shall not be permitted other than by operation of law.

## 11. EFFECTIVE DATE

11.1 The Corporation is establishing the Plan effective on July 21, 2016.

**Exhibit "A"**

**to**

**ECN Capital Corp. Share Unit Plan**

**Special Provisions Applicable to Participants Subject to Section 409A of the United States Internal Revenue Code of 1986, as amended ("Section 409A")**

This Exhibit sets forth special provisions of the ECN Capital Corp. Share Unit Plan (the "Plan") that apply to Participants who are U.S. Taxpayers. This Exhibit shall apply to such Participants notwithstanding any other provisions of the Plan. Terms defined elsewhere in the Plan and used herein shall have the meanings set forth in the Plan, as may be amended from time to time.

**Definitions**

For purposes of this Exhibit:

"**Separation From Service**" shall mean that employment or service with the Corporation and any entity that is to be treated as a single employer with the Corporation for purposes of United States Treasury Regulation Section 1.409A-1(h) terminates such that it is reasonably anticipated that no further services will be performed.

"**Specified Employee**" means a U.S. Taxpayer who meets the definition of "specified employee," as defined in Section 409A(a)(2)(B)(i) of the Code and using the identification methodology selected by the Corporation from time to time.

**Compliance with Section 409A**

**In General**. Notwithstanding any provision of the Plan to the contrary, it is intended that any payments under the Plan either be exempt from or comply with Section 409A, and all provisions of the Plan shall be construed and interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A. Each payment made in respect of Share Units shall be deemed to be a separate payment for purposes of Section 409A. Each U.S. Taxpayer is solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on or for the account of such U.S. Taxpayer in connection with the Plan or any other plan maintained by the Corporation (including any taxes and penalties under Section 409A), and neither the Corporation nor any ECN Capital Entity shall have any obligation to indemnify or otherwise hold such U.S. Taxpayer (or any Beneficiary) harmless from any or all of such taxes or penalties.

No U.S. Taxpayer or the creditors or beneficiaries a U.S. Taxpayer shall have the right to subject any deferred compensation (within the meaning of Section 409A) payable under the Plan to any anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment or garnishment. Except as permitted under Section 409A, any deferred compensation (within the meaning of Section 409A) payable to any U.S. Taxpayer or for the benefit of any U.S. Taxpayer under the Plan may not be reduced by, or offset against, any amount owing by any such U.S. Taxpayer to any ECN Capital Entity.

**Distributions to Specified Employees**. Solely to the extent required by Section 409A, any payment in respect of Share Units which the Corporation has determined in good faith constitute deferred compensation subject to Section 409A and which has become payable by reason of a Separation from Service to any Participant who is determined to be a Specified Employee at the time of such Separation from Service shall not be paid before the date which is six months after such Specified Employee's Separation from Service

(or, if earlier, the date of death of such Specified Employee). Following any applicable six month delay of payment, all such delayed payments shall be made to the Specified Employee in a lump sum on the earliest possible payment date. Such amount shall be paid without interest, unless otherwise determined by the Committee, in its sole discretion, or as otherwise provided in any applicable employment agreement between the Corporation and the relevant Participant.

**Change of Control**. In the event of a Change of Control that does not qualify as an event described in Section 409A(a)(2)(A)(v) of the Code, any outstanding RSUs and/or PSUs that the Corporation has determined in good faith constitute deferred compensation subject to Section 409A shall nevertheless Vest and be converted into a fixed amount in cash in accordance with Section 6.7 of the Plan, provided that such cash shall not be paid to the Participant until the earliest date permitted under Section 409A.

**Amendment of Exhibit**. Subject to Applicable Law, the Board shall retain the power and authority to amend or modify this Exhibit, the Plan or any Grant Agreement to the extent the Board in its sole discretion deems necessary or advisable to comply with any guidance issued under Section 409A or to avoid the imposition of taxes or penalties under Section 409A. Such amendments may be made without the approval of any U.S. Taxpayer.

**EXHIBIT D**

# ECN CAPITAL CORP.
# BOARD OF DIRECTORS MANDATE

*As of October 3, 2016*

## 1. Purpose

The Board of Directors (the "Board") has the duty to supervise the management of the business and affairs of ECN Capital Corp. (the "Corporation"). The Board, directly and through its committees and the chair of the Board (the "Chair"), shall provide direction to senior management, generally through the Chief Executive Officer, to pursue the best interests of the Corporation.

## 2. Composition

### *General*

The composition and organization of the Board, including the number, qualifications and remuneration of directors, the number of Board meetings, Canadian residency requirements, quorum requirements, meeting procedures and notices of meetings are governed by the *Business Corporations Act* (Ontario), applicable Canadian securities laws, applicable stock exchange rules (including the rules of the Toronto Stock Exchange) and the articles and by-laws of the Corporation, in each case as they may be amended and/or replaced from time to time, subject to any exemptions or relief that may be granted from such requirements.

Each director must have an understanding of the Corporation's principal operational and financial objectives, plans and strategies, and financial position and performance. Directors must have sufficient time to carry out their duties and not assume responsibilities that would materially interfere with, or be incompatible with, Board membership. Directors who experience a significant change in their personal circumstances, including a change in their principal occupation, are expected to advise the chair of the Compensation and Corporate Governance Committee.

### *Independence*

A majority of the Board must be independent. "Independent" shall have the meaning, as the context requires, given to it in National Policy 58-201 *Corporate Governance Guidelines*, as it may be amended and/or replaced from time to time.

### *Chair of the Board*

If the Chair of the Board is not independent, then the independent directors shall select from among their number a director who will act as "Lead Director" and who will assume responsibility for providing leadership to enhance the effectiveness and independence of the Board. The Chair, if independent, or the Lead Director if the Chair is not independent, shall act as the effective leader of the Board and ensure that the Board's agenda will enable it to successfully carry out its duties.

## 3. Duties and Responsibilities

The Board shall have the specific duties and responsibilities outlined below.

***Strategic Planning***

(a) **Strategic Plans**

The Board shall adopt a strategic plan for the Corporation. At least annually, the Board shall review and, if advisable, approve the Corporation's strategic planning process and the Corporation's annual strategic plan. In discharging this responsibility, the Board shall review the plan in light of management's assessment of emerging trends, the competitive environment, the opportunities for the business of the Corporation, risk issues, and significant business practices and products.

(b) **Business and Capital Plans**

At least annually, the Board shall review and, if advisable, approve the Corporation's annual business and capital plans as well as policies and processes generated by management relating to the authorization of major investments and significant allocation of capital.

(c) **Monitoring**

At least annually, the Board shall review management's implementation of the Corporation's strategic, business and capital plans. The Board shall review and, if advisable, approve any material amendments to, or variances from, these plans.

***Risk Management***

(a) **General**

At least annually, the Board shall review reports provided by management and the Credit and Risk Committee of principal risks associated with the Corporation's business and operations, review the implementation by management of appropriate systems to manage these risks, and review reports by management relating to the operation of, and any material deficiencies in, these systems.

(b) **Verification of Controls**

The Board shall verify that internal, financial, non-financial and business control and management information systems have been established by management.

***Human Resource Management***

(a) **General**

At least annually, the Board shall review a report of the Compensation and Corporate Governance Committee concerning the Corporation's approach to human resource management and executive compensation.

(b) **Succession Review**

At least annually, the Board shall review the succession plans of the Corporation for the Chair, the Lead Director, the Chief Executive Officer and other executive officers, including the appointment, training and monitoring of such persons.

(c) **Integrity of Senior Management**

The Board shall, to the extent feasible, satisfy itself as to the integrity of the Chief Executive Officer and other executive officers of the Corporation and that the Chief Executive Officer and other senior officers strive to create a culture of integrity throughout the Corporation.

***Corporate Governance***

(a) **General**

At least annually, the Board shall review a report of the Compensation and Corporate Governance Committee concerning the Corporation's approach to corporate governance.

(b) **Director Independence**

At least annually, the Board shall review a report of the Compensation and Corporate Governance Committee that evaluates the director independence standards established by the Board and the Board's ability to act independently from management in fulfilling its duties.

(c) **Ethics Reporting**

The Board has adopted a written Code of Business Conduct and Ethics (the "Code") applicable to directors, officers and employees of the Corporation. At least annually, the Board shall review the report of the Compensation and Corporate Governance Committee relating to compliance with, or material deficiencies from, the Code and approve changes it considers appropriate. The Board shall review reports from the Compensation and Corporate Governance Committee concerning investigations and any resolutions of complaints received under the Code.

(d) **Board of Directors Mandate Review**

At least annually, the Board shall review and assess the adequacy of this Mandate to ensure compliance with any rules of regulations promulgated by any regulatory body and approve any modifications to this Mandate as considered advisable.

***Communications***

(a) **General**

The Board has adopted a Disclosure Policy for the Corporation. At least annually, the Board, in conjunction with the Chief Executive Officer, shall review the Corporation's overall Disclosure Policy, including measures for receiving feedback from the Corporation's stakeholders, and management's compliance with such policy. The Board shall, if advisable, approve material changes to the Corporation's Disclosure Policy.

(b) **Shareholders**

The Corporation endeavors to keep its shareholders informed of its progress through an annual report, annual information form, quarterly interim reports, periodic press releases and other continuous disclosure documentation, as applicable. Directors and management meet with the Corporation's shareholders at the annual meeting and are available to respond to questions at that time. In addition, the Corporation shall maintain a website that is regularly updated and provides investors with relevant information on the Corporation and an opportunity to communicate with the Corporation.

## 4. Committees of the Board

The Board has established the following committees: the Compensation and Corporate Governance Committee, the Audit Committee and the Credit and Risk Committee. Subject to applicable law and regulations, the Board may establish other Board committees or merge or dispose of any such Board committee.

***Committee Mandates***

The Board has approved mandates for each Board committee and shall approve mandates for each new Board committee. At least annually, each committee mandate shall be reviewed by the Compensation and Corporate Governance Committee and any suggested amendments brought to the Board for consideration and approval.

***Delegation to Committees***

The Board has delegated to the applicable committee those duties and responsibilities set out in each Board committee's mandate.

***Consideration of Committee Recommendations***

As required by applicable law, by applicable committee Mandate or as the Board may consider advisable, the Board shall consider for approval the specific matters delegated for review to Board committees.

***Board/Committee Communication***

To facilitate communication between the Board and each Board committee, each committee chair shall provide a report to the Board on material matters considered by the committee at the first Board meeting after the committee's meeting.

## 5. Meetings

The Board will meet at least once in each quarter, with additional meetings held as deemed advisable. The Chair (in conjunction with the Lead Director, as applicable) is primarily responsible for the agenda and for supervising the conduct of the meeting. Any director may propose the inclusion of items on the agenda, request the presence of, or a report by any member of senior management, or at any Board meeting raise subjects that are not on the agenda for that meeting.

Meetings of the Board shall be conducted in accordance with the Corporation's constating documents.

***Secretary and Minutes***

The Corporation's Secretary, his or her designate or any other person the Board requests shall act as secretary of Board meetings. Minutes of Board meetings shall be recorded and maintained by the Secretary and subsequently presented to the Board for approval.

***Meetings Without Management***

The independent members of the Board shall hold regularly scheduled meetings, or portions of regularly scheduled meetings, at which non-independent directors and members of management are not present.

***Directors' Responsibilities***

Each director is expected to attend all meetings of the Board and any committee of which he or she is a member. Directors will be expected to have read and considered the materials sent to them in advance of each meeting and to actively participate in the meetings.

***Access to Management and Outside Advisors***

In discharging the forgoing duties and responsibilities, the Board shall have unrestricted access to management and employees of the Corporation and to the relevant books, records and systems of the Corporation as considered appropriate. The Board shall have the authority to retain legal counsel, consultants or other advisors to assist it in fulfilling its responsibilities. The Corporation shall provide appropriate funding, as determined by the Board, for the services of these advisors.

***Service on Other Boards and Audit Committees***

Directors may serve on the boards of other public companies so long as these commitments do not materially interfere and are compatible with their ability to fulfill their duties as a member of the Board. Directors must advise the Chair in advance of accepting an invitation to serve on the board of another public corporation.

## 6. Director development and evaluation

Each new director shall participate in the Corporation's initial orientation program and each director shall participate in the Corporation's continuing director development programs. The Compensation and Corporate Governance Committee shall review with each new member: (i) certain information and materials regarding the Corporation, including the role of the Board and its committees; and (ii) the legal obligations of a director of the Corporation. At least annually, the Board with the assistance of the Compensation and Corporate Governance Committee, shall review the Corporation's initial orientation program and continuing director development programs.

## 7. No Rights Created

This Mandate is a statement of broad policies and is intended as a component of the flexible governance framework within which the Board, assisted by its committees, directs the affairs of the Corporation. While it should be interpreted in the context of all applicable laws, regulations and listing requirements, as well as in the context of the Corporation's Articles and By-laws, it is not intended to establish any legally binding obligations.

ECN CAPITAL