

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

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form base shelf prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.

**Information has been incorporated by reference in this short form base shelf prospectus from documents filed with securities commissions or similar authorities in Canada.** Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Financial Officer of Chesswood Group Limited, 156 Duncan Mill Road, Suite 15, Toronto, Ontario M3B 3N2 (telephone: (416) 386-3099), and are also available electronically at [www.sedar.com](http://www.sedar.com).

### Short Form Base Shelf Prospectus

New Issue



April 27, 2017

#### CHESSWOOD GROUP LIMITED

\$200,000,000

**Debt Securities (unsecured)  
Common Shares  
Warrants  
Subscription Receipts  
Units**

Chesswood Group Limited (the "**Corporation**") may offer from time to time during the 25-month period that this base shelf prospectus, including any amendments hereto, (this "**Prospectus**") remains effective the following securities: (i) debt securities of the Corporation ("**Debt Securities**"); (ii) common shares in the capital of the Corporation ("**Common Shares**"); (iii) warrants to purchase Common Shares ("**Warrants**"), (iv) subscription receipts convertible into or exchangeable for some or all of the other securities described above ("**Subscription Receipts**") and (v) units comprised of some or all of the other securities described above ("**Units**"), or any combination thereof. The Debt Securities, Common Shares, Warrants and Subscription Receipts (together, the "**Securities**") offered hereby may be offered separately or together, in separate series, in amounts, at prices and on terms to be set forth in an accompanying shelf prospectus supplement (a "**Prospectus Supplement**"). All shelf information not included in this Prospectus will be contained in one or more Prospectus Supplements that will be delivered to purchasers together with this Prospectus. The Corporation may sell up to \$200,000,000 in aggregate initial offering price of Securities (or the Canadian dollar equivalent thereof at the time of issuance if any of the Securities are denominated in a foreign currency or currency unit).

Net proceeds from offerings of Securities through this Prospectus (net of dealer compensation and offering expenses) will only be used to fund acquisitions, to fund growth in the finance portfolios of the Corporation's operating subsidiaries or to pay down debt of the Corporation and/or its operating subsidiaries.

The specific terms of any Securities actually offered by the Corporation will be provided in the Prospectus Supplement for the subject offering. Prospective investors in Securities should read this Prospectus and the Prospectus Supplement for the subject offering.

The outstanding Common Shares are listed on the Toronto Stock Exchange (the “**TSX**”) under the symbol “CHW”. The outstanding \$20,000,000 aggregate principal amount of 6.5% convertible unsecured subordinated debentures of the Corporation due December 31, 2018 are listed on the TSX under the symbol “CHW.DB”

The Securities may be sold to or through underwriters, dealers or agents designated by the Corporation from time to time, or by the Corporation directly pursuant to applicable statutory exemptions. See “Plan of Distribution”. Each Prospectus Supplement will identify any underwriter, dealer or agent engaged in connection with the offering and sale of those Securities, and will also set forth the terms of the offering of such Securities, including the net proceeds to the Corporation and, to the extent applicable, any fees payable to the underwriters or agents. The offerings are subject to approval of certain legal matters by McCarthy Tétrault LLP on behalf of the Corporation.

The Corporation’s registered and head office is located at 156 Duncan Mill Road, Suite 15, Toronto, Ontario M3B 3N2.

**Unless otherwise specified in the applicable Prospectus Supplement, the Securities other than Common Shares will not be listed on any securities exchange. Accordingly, unless so specified, there will be no market through which these securities may be sold and purchasers may not be able to resell securities purchased under this Prospectus. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities and the extent of issuer regulation. See “Risk Factors”.**

## Table of Contents

	Page
NOTICE TO READERS .....	1
FORWARD-LOOKING STATEMENTS .....	1
DOCUMENTS INCORPORATED BY REFERENCE .....	3
CHESSWOOD GROUP LIMITED .....	4
RECENT DEVELOPMENTS .....	6
DESCRIPTION OF DEBT SECURITIES .....	6
DESCRIPTION OF SHARE CAPITAL .....	6
DESCRIPTION OF WARRANTS .....	7
DESCRIPTION OF SUBSCRIPTION RECEIPTS .....	8
DESCRIPTION OF UNITS .....	9
BOOK-ENTRY ONLY SECURITIES .....	9
EARNINGS-COVERAGE RATIOS .....	10
PLAN OF DISTRIBUTION .....	10
RISK FACTORS .....	11
USE OF PROCEEDS .....	12
LEGAL MATTERS .....	12
AUDITOR, TRANSFER AGENT AND REGISTRAR .....	12
PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION .....	12
CERTIFICATE OF CHESSWOOD GROUP LIMITED .....	C-1

### NOTICE TO READERS

This Prospectus provides a general description of the Securities that the Corporation may offer. Each time Securities are sold under this Prospectus, the purchasers will be provided with a Prospectus Supplement that will contain specific information about the terms of that offering. The Prospectus Supplement may also add, update or change information contained in this Prospectus. Before investing in any Securities, prospective investors should read both this Prospectus and any applicable Prospectus Supplement, together with the additional information described below and in the applicable Prospectus Supplement under "Documents Incorporated by Reference".

Investors should rely only on the information contained in or incorporated by reference in this Prospectus or any applicable Prospectus Supplement. The Corporation has not authorized anyone to provide investors with different or additional information. The Corporation is not making an offer of Securities in any jurisdiction where the offer is not permitted by law. Prospective investors should not assume that the information contained in or incorporated by reference in this Prospectus or any applicable Prospectus Supplement is accurate as of any date other than the date on the front of the applicable Prospectus Supplement.

### FORWARD-LOOKING STATEMENTS

Certain statements in this Prospectus, other than statements of historical fact, are forward-looking statements based on certain assumptions and reflect the Corporation's current expectations. Forward-looking statements are provided for the purposes of assisting the reader in understanding the Corporation's financial performance, financial position and cash flows as at and for the periods ended on certain dates and to present information about management's current expectations and plans relating to the future and the reader is cautioned that such statements may not be appropriate for other purposes. These statements may include, without limitation, statements regarding the operations, business,

financial condition, expected financial results, performance, prospects, opportunities, priorities, targets, goals, ongoing objectives, strategies and outlook of the Corporation and its subsidiaries, as well as the outlook for North American and international economies for the current fiscal year and subsequent periods. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as “expects”, “anticipates”, “plans”, “believes”, “estimates”, “seeks”, “intends”, “targets”, “projects”, “forecasts” or negative versions thereof and other similar expressions, or future or conditional verbs such as “may”, “will”, “should”, “would” and “could”.

By its nature, this information is subject to inherent risks and uncertainties that may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, that assumptions may not be correct and that objectives, strategic goals and priorities will not be achieved. A variety of factors, many of which are beyond the Corporation’s and its subsidiaries’ control, affect the operations, performance and results of the Corporation and its subsidiaries and their businesses, and could cause actual results to differ materially from current expectations of estimated or anticipated events or results. These factors include, but are not limited to:

- continuing access to required financing (and, for certain subsidiaries, securitization or bulk leasing facilities);
- continuing access to products to allow the Corporation and its subsidiaries to hedge their exposure to changes in interest rates;
- risks of increasing default rates on leases, loans and advances;
- the adequacy of the Corporation’s provision for credit losses;
- increasing competition (including, without limitation, more aggressive risk pricing by competitors);
- increased governmental regulation of the rates and methods we use in financing and collecting on our equipment leases or loans, and on our working capital loans;
- dependence on key personnel;
- disruption of business models due to the emergence of new technologies;
- fluctuations in the Canadian dollar to U.S. dollar exchange rate; and
- general economic and business conditions.

The reader is cautioned to consider these and other factors, uncertainties and potential events carefully and not to put undue reliance on forward-looking statements. Information contained in forward-looking statements is based upon certain material assumptions that were applied in drawing a conclusion or making a forecast or projection, including management’s perceptions of historical trends, current conditions and expected future developments, as well as other considerations that are believed to be appropriate in the circumstances, including that the list of factors in the prior paragraph, collectively, are not expected to have a material impact on the Corporation and its subsidiaries. While the Corporation considers these assumptions to be reasonable based on information currently available to management, they may prove to be incorrect.

Other than as specifically required by applicable Canadian law, the Corporation undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made, or to reflect the occurrence of unanticipated events, whether as a result of new information, future events or results, or otherwise.

Additional information about the risks and uncertainties of the Corporation's businesses and material factors or assumptions on which information contained in forward-looking statements is based is provided in the documents incorporated herein by reference, including the Corporation's annual information form dated March 29, 2017 and management's discussion and analysis of the financial condition and performance for the year ended December 31, 2016 which are incorporated by reference into this Prospectus and are available electronically through the System for Electronic Document Analysis and Retrieval ("**SEDAR**") at [www.sedar.com](http://www.sedar.com).

### **DOCUMENTS INCORPORATED BY REFERENCE**

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

- (a) the Corporation's annual information form dated March 29, 2017;
- (b) the audited consolidated financial statements of the Corporation as at and for the years ended December 31, 2016 and December 31, 2015, together with the notes thereto, and the independent auditor's report thereon;
- (c) management's discussion and analysis of the financial condition and performance of the Corporation for the year ended December 31, 2016;
- (d) the management information circular dated March 24, 2017 with respect to the annual meeting of shareholders of the Corporation (the "**Shareholders**") to be held on May 10, 2017; and
- (e) the material change report of the Corporation dated April 13, 2017 with respect to the Corporation's exercise of US\$30 million of the US\$80 million accordion feature in its existing corporate revolving credit facility.

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

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

Any statement contained in a document incorporated or deemed to be incorporated by reference herein will be deemed to be modified or superseded, for purposes of this Prospectus, to the extent that a statement contained herein or in any other subsequently filed document that also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement will not be deemed an admission for any purpose that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

When a new annual information form and related annual financial statements are filed by the Corporation and, where required, accepted by the applicable securities regulatory authorities during the currency of

this Prospectus, the previous annual information form, the previous annual financial statements, all interim financial statements, material change reports and annual filings and information circulars filed by the Corporation prior to the commencement of the Corporation's financial year in which the new annual information form is filed will be deemed no longer to be incorporated by reference into this Prospectus for purposes of future offers and sales of Securities hereunder.

## **CHESSWOOD GROUP LIMITED**

### ***General***

The Corporation is an Ontario, Canada constituted corporation. The Corporation is the successor to Chesswood Income Fund (the "**Fund**") as a result of the arrangement involving the Fund, the Corporation and certain other entities that was carried out under the *Business Corporations Act* (Ontario) effective January 1, 2011.

The Fund, and subsequently the Corporation, was created to invest in the financial services industry in Canada and the United States. The Corporation indirectly owns the operating subsidiaries described below.

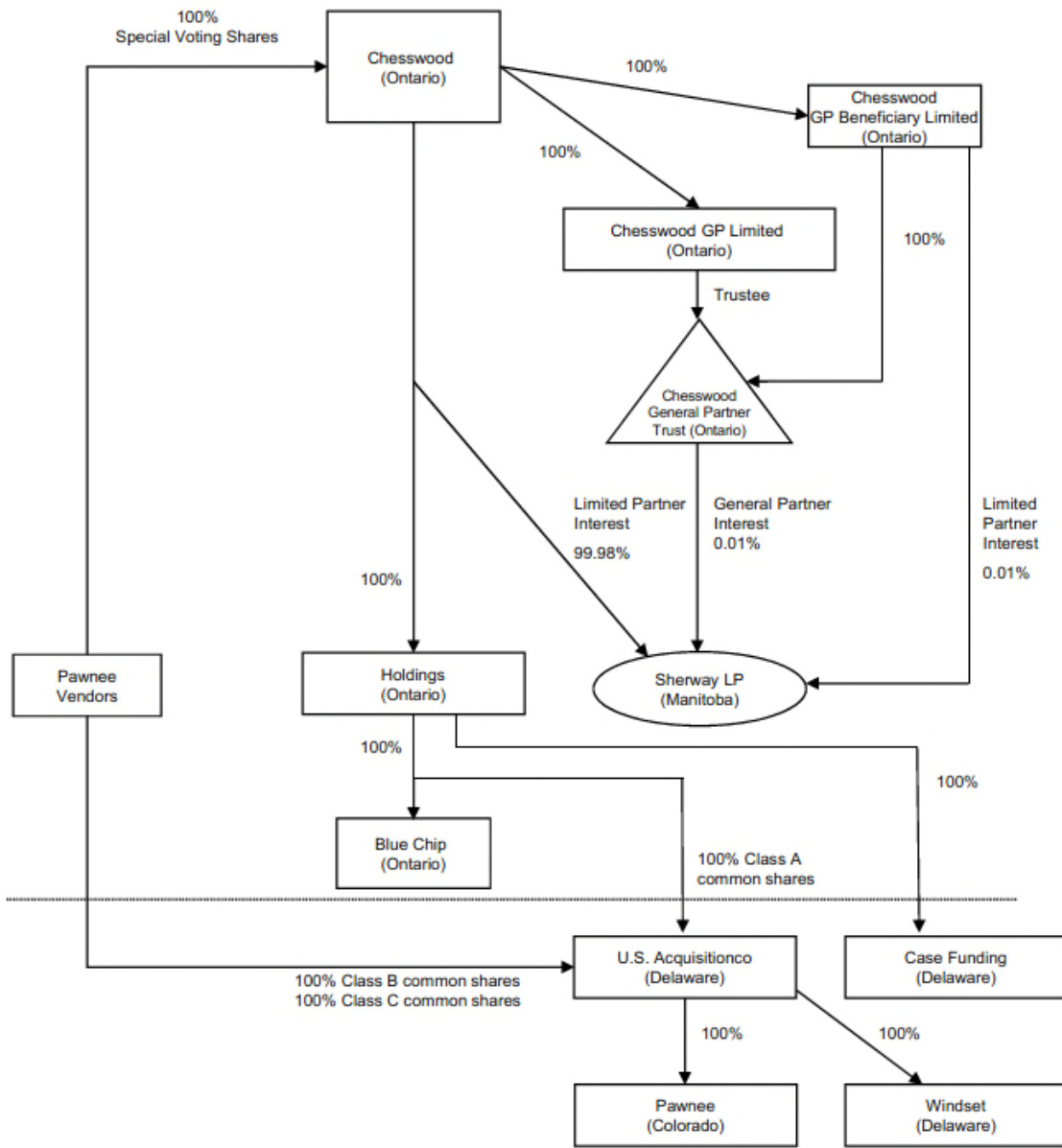
Through its interest in Pawnee Leasing Corporation ("**Pawnee**"), the Corporation is involved in the business of equipment finance in the lower 48 states of the United States, with a focus on small businesses in the start-up and "B" credit market. Through its interest in Blue Chip Leasing Corporation ("**Blue Chip**"), the Corporation is involved in the business of equipment finance in Canada to small and medium sized businesses. Through its interest in Case Funding Inc. ("**Case Funding**"), the Corporation has a portfolio of plaintiff and attorney loans in the United States. Through its interest in Windset Capital Corporation ("**Windset**"), the Corporation has a portfolio of working capital loans to small businesses in the United States.

Detailed information on each of the Corporation's operating subsidiaries is included in the documents incorporated by reference in this Prospectus.

### ***Intercorporate Relationships***

The following diagram sets out the current structure of the Corporation and its subsidiaries, and their respective jurisdictions of incorporation or organization.

As reflected below, each of the Corporation's direct and indirect subsidiaries is wholly-owned by its direct parent except Chesswood US Acquisitionco Ltd. ("**U.S. Acquisitionco**") (the Class A common shares of which are indirectly owned by the Corporation and the Class B and Class C common shares of which are owned by the individuals and entities that were the shareholders of Pawnee at the time of its indirect acquisition by the Fund (the "**Pawnee Vendors**") and are exchangeable for Common Shares at any time). See "Description of Share Capital – Special Voting Shares and Exchange Rights for Holders of U.S. Acquisitionco Shares".



## RECENT DEVELOPMENTS

On April 13, 2017 the Corporation announced that it had exercised US\$30 million of the US\$80 million accordion feature in its existing corporate revolving credit facility (the “**Credit Facility**”).

The Credit Facility contains an accordion feature which permits the Corporation to increase the size to an aggregate of US\$250 million from US\$170 million. The Credit Facility matures in December 2019 and the Corporation had drawn US\$154 million under the Credit Facility as of March 31, 2017.

## DESCRIPTION OF DEBT SECURITIES

The following sets forth certain general terms and provisions of the Debt Securities. The particular terms and provisions of Debt Securities offered by a Prospectus Supplement, and the extent to which the general terms and provisions described below may apply to such Debt Securities, will be described in such Prospectus Supplement.

The Debt Securities will be direct unsecured obligations of the Corporation and will rank equally and rateably with all other unsecured and unsubordinated indebtedness of the Corporation from time to time issued and outstanding.

The Debt Securities will be issued under one or more indentures between the Corporation and a financial institution to which the *Trust and Loan Companies Act* (Canada) applies or a financial institution organized under the laws of any province of Canada and authorized to carry on business as a trustee (each, a “**Trustee**”), as supplemented and amended from time to time (each a “**Trust Indenture**”).

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

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

## DESCRIPTION OF SHARE CAPITAL

### **Common Shares**

The Corporation is authorized to issue an unlimited number of Common Shares of which 16,526,367 are issued and outstanding as of the date of this Prospectus.

Each Common Share entitles the holder thereof to receive notice of, to attend, and to one vote at all meetings of the Shareholders. The holders of Common Shares will be entitled to receive any dividends, if, as and when declared by the directors of the Corporation. The Shareholders will also be entitled to share equally, share-for-share, in any distribution of the assets of the Corporation upon the liquidation, dissolution or winding-up of the Corporation or other distribution of its assets among its shareholders for the purpose of winding-up its affairs. Additional information relevant to the Common Shares, the rights of

holders thereof and the operation and conduct of the Corporation can be found in the Corporation's Articles and by-laws, which have been filed under the Corporation's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

### ***Special Voting Shares and Exchange Rights for Holders of U.S. Acquisitionco Shares***

In connection with the acquisition of Pawnee by U.S. Acquisitionco, U.S. Acquisitionco issued to the Pawnee Vendors an aggregate of 1,274,601 Class B common shares and 203,936 Class C common shares of U.S. Acquisitionco (collectively, the "**Exchangeable Shares**"). Each such share is exchangeable at any time (for no additional consideration) on a one-for-one basis for Common Shares. Such shares entitle the holders to per share distributions equal to any per share dividends paid on the Common Shares.

In order to provide voting equivalency to the holders thereof with the rights of the holders of Common Shares, the Exchangeable Shares are non-voting, but one special voting share of the Corporation (each, a "**Special Voting Share**") was issued for (and effectively attached to) each Exchangeable Share. Each Special Voting Share entitles the holder thereof to a number of votes at any meeting of Shareholders equal to the number of Common Shares which may be obtained upon the exchange of the Exchangeable Share to which the Special Voting Share relates. As of the date of this Prospectus, the Corporation has 1,478,537 issued and outstanding Special Voting Shares. Except for the right to be counted towards a quorum and to requisition, vote at, and receive materials for, meetings of Shareholders, the Special Voting Shares do not confer any other rights upon the holders.

The amended and restated share exchange agreement with the Pawnee Vendors provides that if a non-exempt take-over bid from a person acting at arm's length to the holders of the Exchangeable Shares (or any affiliated entity or associate thereof) is made for the Common Shares and a contemporaneous identical offer is not made for the Exchangeable Shares (in terms of price, timing, proportion of securities sought to be acquired and conditions; provided that the offer for Exchangeable Shares may be conditional on Common Shares being taken up and paid for under the take-over bid), then all limitations on the transfer of Exchangeable Shares will terminate and, provided that (i) not less than 25% of the Common Shares (other than Common Shares held at the date of the take-over bid by or on behalf of the offeror or associates or affiliated entities of the offeror) are taken-up and paid for pursuant to the non-exempt bid from and after the date of first take-up of Common Shares under the said take-over bid and (ii) the take-over bid is not for any and all Common Shares tendered or is not structured such that holders of Exchangeable Securities can exchange into Common Shares conditional on take-up, the Exchangeable Shares will be exchangeable at an exchange ratio equal to 100% of the exchange ratio previously in effect, such that, based on the current one-to-one exchange ratio, on exchange the holder of Exchangeable Shares will receive one Common Share for each Common Share that the holder would otherwise have received. Notwithstanding any adjustment on completion of an exclusionary offer as described above, the voting rights attaching to the Special Voting Shares will not be similarly adjusted, and the distribution rights attaching to the Exchangeable Shares will not be adjusted until the exchange right is actually exercised.

### **DESCRIPTION OF WARRANTS**

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

The Corporation may issue Warrants for the purchase of Common Shares. Warrants may be issued independently or together with Debt Securities or Common Shares offered by any Prospectus Supplement and may be attached to, or separate from, any such offered Securities. Warrants will be

issued under one or more warrant agreements between the Corporation and a warrant agent that the Corporation will name in the Prospectus Supplement.

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

### **DESCRIPTION OF SUBSCRIPTION RECEIPTS**

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

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

Any Prospectus Supplement for Subscription Receipts will contain the terms and conditions and other information with respect to the Subscription Receipts being offered thereby, including: (i) the number of Subscription Receipts; (ii) the price at which the Subscription Receipts will be offered and whether the price is payable in instalments; (iii) conditions to the exchange of Subscription Receipts for other Securities and the consequences of such conditions not being satisfied; (iv) the procedures for the exchange of the Subscription Receipts for other Securities; (v) the number of Securities that may be exchanged upon exercise of each Subscription Receipt; (vi) the designation and terms of any other Securities with which the Subscription Receipts will be offered, if any, and the number of Subscription Receipts that will be offered with each Security; (vii) the dates or periods during which the Subscription Receipts may be exchanged for other Securities; (viii) whether the Subscription Receipts will be listed on any securities exchange; (ix) whether the Subscription Receipts will be issued in fully registered or "book-entry only" form; (x) any other rights, privileges, restrictions and conditions attaching to the Subscription Receipts; and (xi) any other specific terms.

## DESCRIPTION OF UNITS

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

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

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

## BOOK-ENTRY ONLY SECURITIES

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

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

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

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

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

### ***Payments and Notices***

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

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

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

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

### **EARNINGS-COVERAGE RATIOS**

Earnings coverage ratios will be provided as required in the Prospectus Supplement with respect to an issuance of Debt Securities, or Subscription Receipts convertible or exchangeable for Debt Securities, pursuant to such Prospectus Supplement.

### **PLAN OF DISTRIBUTION**

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

by any underwriter to other dealers. Only underwriters so named in the Prospectus Supplement are deemed to be underwriters in connection with the Securities offered thereby.

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

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

The Corporation may agree to pay the underwriters or agents a commission for various services relating to the issue and sale of any Securities offered hereby. Any such commission will be paid out of the general corporate funds of the Corporation. Underwriters and agents who participate in the distribution of the Securities may be entitled under agreements to be entered into with the Corporation to indemnification by the Corporation against certain liabilities, including liabilities under securities legislation, or to contribution with respect to payments which such underwriters or agents may be required to make in respect thereof.

Each series or issue of Debt Securities will be a new issue of securities with no established trading market. Unless otherwise specified in a Prospectus Supplement relating to an issue of Debt Securities, the Debt Securities will not be listed on any securities or stock exchange. In connection with any offering of Securities, the underwriters or agents may over-allot or effect transactions that stabilize or maintain the market price of the Securities offered at a level above that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time. Any underwriters or agents to or through whom Securities are sold by the Corporation may make a market in the Securities, but they will not be obligated to do so and may discontinue any market making at any time without notice. No assurance can be given that a trading market in any of the Securities (other than Common Shares) will develop or as to the liquidity of any trading market for the Securities.

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

## **RISK FACTORS**

Before deciding whether to invest in any Securities, investors should consider carefully the risks set out in the documents incorporated by reference in this Prospectus (including the risks described in the Corporation's annual information form and management's discussion and analysis, and all subsequently filed documents incorporated by reference) and those described in the Prospectus Supplement relating to a specific offering of Securities.

There is currently no market through which some of the Securities may be sold and purchasers of such Securities may not be able to resell such Securities purchased under this Prospectus. There can be no assurance that an active trading market will develop for such Securities after an offering or, if developed, that such market will be sustained. This may affect the pricing of such Securities in the secondary market, the transparency and availability of trading prices, the liquidity of such Securities and the extent of issuer regulation. The public offering prices of the Securities will be determined by negotiation between

the Corporation and underwriters based on several factors and may bear no relationship to the prices at which the Securities will trade in the public market subsequent to such offering. See “Plan of Distribution”.

### **USE OF PROCEEDS**

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

Net proceeds from offerings of Securities through this Prospectus (net of dealer compensation and offering expenses) will only be used to fund acquisitions, to fund growth in the finance portfolios of the Corporation’s operating subsidiaries or to pay down debt of the Corporation and/or its operating subsidiaries.

### **LEGAL MATTERS**

Certain legal matters relating to an offering of Securities offered hereby will be passed upon by McCarthy Tétrault LLP on behalf of the Corporation. As at the date hereof, the partners and associates of McCarthy Tétrault LLP, as a group, beneficially own, directly or indirectly, less than 1% of the outstanding Common Shares.

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

The independent auditor of the Corporation is BDO Canada LLP, chartered professional accountants, located at Suite 3600, TD Bank Tower, 66 Wellington Street West, Toronto, Ontario, M5K 1H1.

The registrar and transfer agent for the Corporation is TSX Trust Company at its principal offices in Toronto, Ontario.

### **PURCHASERS’ STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION**

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

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

Original purchasers are further advised that in certain provinces and territories the statutory right of action for damages in connection with a prospectus misrepresentation is limited to the amount paid for the convertible, exchangeable or exercisable security that was purchased under a prospectus, and therefore a further payment at the time of conversion, exchange or exercise may not be recoverable in a statutory

action for damages. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights, or consult with a legal advisor.

**CERTIFICATE OF CHESSWOOD GROUP LIMITED**

Dated: April 27, 2017

This short form prospectus, together with the documents incorporated in this prospectus by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of each of the provinces and territories of Canada other than Québec.

*"Barry Shafran"*

By: (signed)

BARRY SHAFRAN  
President and Chief Executive  
Officer

*"Lisa Stevenson"*

By: (signed)

LISA STEVENSON  
Director of Finance and Chief  
Financial Officer

On behalf of the Board of Directors

*"Frederick W. Steiner"*

By: (signed)

FREDERICK W. STEINER  
Director

*"Clare R. Copeland"*

By: (signed)

CLARE R. COPELAND  
Director