



2023 ANNUAL INFORMATION FORM

– March 28, 2024 –

ECN CAPITAL CORP.

TABLE OF CONTENTS

FORWARD-LOOKING STATEMENTS.....	3
INTRODUCTION	5
CORPORATE STRUCTURE	5
Name, Address and Incorporation.....	5
GENERAL DEVELOPMENT OF THE BUSINESS.....	6
Strategic Transactions.....	7
Debenture Offerings	11
Senior Credit Facility	11
Changes to the Board of Directors and Executive Officers.....	12
DESCRIPTION OF THE BUSINESS.....	12
ECN Capital's Business Platform Segments.....	12
Growth Strategy	13
Competition	14
Employees.....	14
Commitment to Environmental, Social and Governance Mandates.....	15
DIVIDENDS.....	15
Common Share Dividends	15
Preferred Share Dividends	16
DESCRIPTION OF SHARE CAPITAL.....	17
Common Shares	18
Preferred Shares	18
Debentures	20
RATINGS	21
MARKET FOR SECURITIES	23
Common Shares	23
Series C Shares	24
2025 Debentures	24
2026 Debentures	24
2027 Debentures	25
DIRECTORS AND EXECUTIVE OFFICERS.....	25
Directors	26
Executive Officers of the Corporation	27
Voting Securities.....	28
Conflicts of Interest	28
INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS	28
LEGAL PROCEEDINGS AND REGULATORY ACTIONS	28
TRANSFER AGENT, REGISTRAR AND DEBENTURE TRUSTEE.....	28
INTEREST OF EXPERTS	29
AUDIT COMMITTEE INFORMATION	29
Composition of the Audit Committee	29
Pre-Approval Policies and Procedures	30
Audit Fees.....	30
MATERIAL CONTRACTS	31
RISK FACTORS	33
ADDITIONAL INFORMATION	53
<u>AUDIT COMMITTEE MANDATE</u>	<u>54</u>

FORWARD-LOOKING STATEMENTS

Certain statements in this Annual Information Form, other than statements of historical fact, are forward-looking information within the meaning of applicable securities laws. Such statements are based upon the current internal expectations, estimates, projections, assumptions and beliefs of ECN Capital Corp. (“ECN Capital” or the “Corporation”) and its management. In some cases, words such as “plan”, “expect”, “intend”, “believe”, “anticipate”, “estimate”, “may”, “will”, “potential”, “proposed” and other similar words, or statements that certain events or conditions “may” or “will” occur, are intended to identify forward-looking statements and forward-looking information.

Forward-looking statements are provided for the purposes of assisting the reader in understanding ECN Capital’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 are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in the forward-looking statements or information. In addition, this Annual Information Form may contain forward-looking statements and information attributed to third-party industry sources. Undue reliance should not be placed on these forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By its nature, forward-looking information involves numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur. Such forward-looking statements and information in this Annual Information Form speak only as of the date of this Annual Information Form.

Forward-looking statements and information in this Annual Information Form include, but are not limited to, statements with respect to ECN Capital’s:

- expectations regarding its revenue, expenses and operations;
- anticipated cash needs and its needs for additional financing;
- expectations regarding its origination volumes;
- ability to attract Partners (as defined herein), vendor relationships and new customers and develop and maintain relationships with existing Partners, vendors and customers;
- anticipated delinquency rates and credit losses;
- expectations with respect to the implementation and execution of its Environmental, Social and Governance (“ESG”) mandates and policies;
- compliance with consumer finance laws or regulations, including but not limited to rules and regulations that have recently been enacted or could be enacted in the U.S. or in Canada;
- Partners and parties with whom the Corporation does business and the regulatory environments in which they operate;
- ability to attract and retain personnel, including an experienced management team;
- changes to the executive officers of the Corporation;
- expectations regarding growth in certain business segments in which it operates;
- estimates and expectations regarding its financial results, capitalization, condition and operations;
- future objectives and strategies;
- integration of any future acquisitions;
- future growth plans, including growth resulting from acquisitions and joint ventures;
- future performance following a disposition of its assets, including its ability to redeploy capital/proceeds of sale in other opportunities;
- ability to pay dividends on its Common Shares (as defined herein) and Preferred Shares (as defined herein);
- expectations regarding the impact of global financial markets and general economic conditions, including inflationary factors and interest rates, on the respective businesses, assets and financial conditions of the Corporation, its Partners and consumers;
- expectations regarding Champion Financing (as defined herein), including the anticipated benefits therefrom;
- competitive position and its expectations regarding competition; and

- view of the anticipated trends and challenges in its businesses and the markets in which it operates.

Forward-looking statements are based on certain factors and assumptions, including assumptions regarding the Corporation's expected growth, results of operations and business prospects, economic factors and the industry generally and certain other assumptions that appear proximate to the applicable forward-looking statements contained herein. Inherent in the forward-looking statements are known and unknown risks, uncertainties and other factors beyond the Corporation's ability to control or predict, that may cause actual results, performance or achievements of the Corporation, or developments of the Corporation's business or in its industry, to differ materially from the anticipated results, performance, achievements or developments expressed or implied by such forward-looking statement.

Although ECN Capital believes that the expectations reflected in the forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. ECN Capital cannot guarantee future results, levels of activity, performance or achievements. Moreover, neither ECN Capital nor any other person assumes responsibility for the accuracy or completeness of the forward-looking statements and information. Some of the risks and other factors, some of which are beyond ECN Capital's control, which could cause results to differ materially from those expressed in the forward-looking statements and information contained in this Annual Information Form, include, but are not limited to, those set forth under "*Risk Factors*".

The forward-looking statements contained herein represent the Corporation's views only as of the date hereof. Forward-looking statements contained herein are based on management's current plans, estimates, projections, beliefs and opinions and the assumptions related to these plans, estimates, projections, beliefs and opinions may change, and are presented for the purpose of assisting the Corporation's securityholders in understanding management's current views regarding those future outcomes and may not be appropriate for other purposes. While the Corporation anticipates that subsequent events and developments may cause the Corporation's views to change, the Corporation does not undertake to update any forward-looking statements, except to the extent required by applicable securities laws.

INTRODUCTION

This Annual Information Form is dated March 28, 2024. Except where otherwise indicated, the information in this Annual Information Form is provided as of December 31, 2023, and all dollar amounts are expressed in United States (“U.S.”) dollars.

CORPORATE STRUCTURE

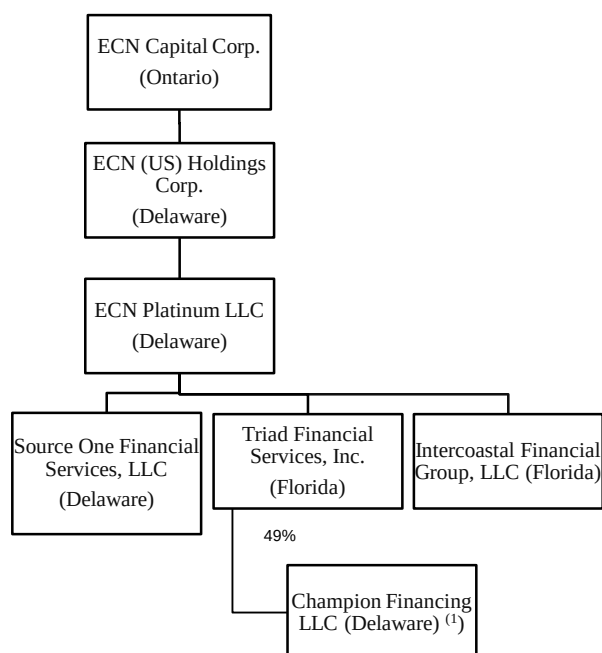
Name, Address and Incorporation

ECN Capital was incorporated under the *Business Corporations Act* (Ontario) (the “OBCA”) on July 22, 2016. Headquartered in Toronto and West Palm Beach, ECN Capital’s registered and Canadian head office is located at 199 Bay Street, Suite 4000, Toronto, Ontario M5L 1A9 and its U.S. head office is located at 777 South Flagler Drive, Suite 800 East, West Palm Beach, Florida 33401.

ECN Capital is a reporting issuer in each of the Provinces of Canada. ECN Capital’s common shares (the “Common Shares”) commenced trading on the Toronto Stock Exchange (the “TSX”) under the ticker symbol “ECN” on October 4, 2016.

ECN Capital amended its articles on December 1, 2016, on May 24, 2017 and on September 26, 2023, to provide for the creation of each series of preferred shares of the Corporation (the “Preferred Shares”). The Cumulative 5-Year Minimum Rate Reset Preferred Shares, Series A (“Series A Shares”) commenced trading on the TSX on December 2, 2016 under the ticker symbol “ECN.PR.A”. On December 31, 2021, the Corporation completed the redemption of all of the outstanding Series A Shares and such shares were delisted from the TSX following the close of trading on December 31, 2021. The Cumulative 5-Year Minimum Rate Reset Preferred Shares, Series C (“Series C Shares”) commenced trading on the TSX on May 25, 2017 under the ticker symbol “ECN.PR.C”. The Series E Shares (as defined herein) were issued on September 26, 2023 in connection with the Skyline Private Placement (as defined herein). See “*Description of Share Capital – Preferred Shares*” for further information.

The organizational chart below indicates the inter-corporate relationships between the Corporation and its material subsidiaries (and includes their jurisdiction of organization) as of the date hereof. See “*General Development of the Business – Strategic Transactions*”. Unless otherwise indicated, all such subsidiaries are wholly-owned.



Notes:

(1) Champion Financing LLC is currently a non-material subsidiary, but is included for the purposes of showing its location within ECN Capital’s organizational structure.

The assets and revenues of any unnamed subsidiary of ECN Capital and Champion Financing LLC (“Champion Financing”) did not exceed either 10% of ECN Capital’s assets or its total consolidated revenues, as at and for the year ended December 31, 2023. In the aggregate, such unnamed subsidiaries did not account for either 20% of ECN Capital’s assets, or its total consolidated revenues, as at and for the year ended December 31, 2023.

GENERAL DEVELOPMENT OF THE BUSINESS

ECN Capital is a provider of business services to more than 100 North American based banks, credit unions, life insurance companies, pension funds and institutional investors (collectively, its “Partners”). The Corporation originates, manages and advises on credit assets on behalf of its Partners, specifically consumer (manufactured housing and recreational vehicle (“RV”) and marine) loans and commercial (inventory finance and rental) loans. The Corporation’s Partners seek high quality assets to match with their deposits, term insurance or other liabilities. As at December 31, 2023, ECN Capital has approximately 620 employees and operates (principally through subsidiaries) in the U.S.

ECN Capital owns a portfolio of operating businesses that operate under a fee-based, asset-light model through which it leverages specialized expertise, industry knowledge, regulatory compliance and strategic relationships. The Corporation’s business is conducted through scalable platforms, including (1) manufactured home loans and (2) prime and super-prime RV and marine loans, that were established with its acquisitions of the following operating companies from 2017 through the 2022 financial year: Triad Financial Services, Inc. (“Triad”), Source One Financial Services, LLC (“Source One”) and Intercoastal Financial Group, LLC (“IFG”).

ECN Capital meets its customer needs through scalable platforms (comprised of its three operating company subsidiaries) by offering the following consumer portfolio solutions:

- **Triad Financial Services:** Secured Consumer Loan Portfolios – manufactured home loans; and
- **Source One and IFG :** Secured Consumer Loan Portfolios – prime and super-prime RV & marine loans.

See “*Description of the Business*” for further information regarding each of ECN Capital’s three platforms.

ECN Capital's focus is to drive origination and asset management growth, as well as broadening its Partner relationships through the marketing of these consumer portfolio solutions across the Corporation's network of Partners. In pursuit of these objectives, the Corporation: (i) provides its operating companies with capital, knowledge and scale to help grow their businesses within their large addressable markets; and (ii) continuously brings new funding relationships and structures to its operating companies.

ECN Capital and each of its principal operating subsidiaries has an experienced executive management team with seasoned executives leading each of the Corporation's core business segments with decades of asset management and specialty finance industry experience.

Strategic Transactions

The following acquisitions and dispositions, corporate finance transactions and other strategic transactions have been completed by ECN Capital in the last three years:

Strategic Review

On March 7, 2023, ECN Capital announced that it had initiated a review of strategic alternatives to maximize shareholder value (the "Strategic Review"). In connection with the Strategic Review, ECN Capital engaged strategic advisors and considered a range of alternatives over a five-month process. As a result of the Strategic Review, on August 14, 2023, ECN Capital announced that it had completed its Strategic Review with respect to Triad by entering into a strategic partnership with Skyline Champion, Inc., which resulted in a C\$185 million strategic equity investment in the Corporation by Skyline Champion (as defined below) and the establishment of a captive finance company that is 51% owned by an affiliate of Skyline Champion and 49% owned by Triad. See "General Development of the Business – Strategic Transactions – Skyline Private Placement and Establishment of Captive Financing Company" for further information.

As part of its Strategic Review, ECN Capital continued to review its RV & Marine Finance business for operational improvements, cost reductions and consideration of strategic alternatives for that business. Effective September 30, 2023, ECN Capital classified its Red Oak RV & Marine Inventory Finance platform ("Red Oak"), which operates through Triad, as held-for-sale. On February 21, 2024, ECN Capital completed the sale of Red Oak to a third-party investor for gross cash proceeds of approximately C\$153 million, subject to final working capital adjustments.

The sale of Red Oak marked the completion of the Strategic Review, which in respect of Source One and IFG, included a comprehensive assessment of a full range of alternatives to determine the best path forward to continue to drive growth and maximize value for shareholders. Following this process, ECN Capital concluded that there is a substantial opportunity in these businesses and the best path forward to maximize shareholder value is to continue to execute the business plan for RV & Marine Finance.

Following the conclusion of the Strategic Review, the Corporation announced that it will not pursue its previously announced Board approved corporate simplification plan.

Skyline Private Placement and Establishment of Captive Financing Company

On September 26, 2023, ECN Capital completed the approximately C\$185 million equity investment in the Corporation by Skyline Champion Corporation ("Skyline Champion") pursuant to which Champion Canada Holdings Inc., a wholly-owned subsidiary of Skyline Champion, acquired on a private placement basis (the "Skyline Private Placement") 33,550,000 Common Shares and 27,450,000 mandatory convertible preferred shares, Series E of the Corporation (the "Series E Shares"), in each case at a price per share of C\$3.04 (the "Share Issue Price"), resulting in Skyline Champion holding an approximate 19.9% indirect equity interest in ECN Capital (assuming the conversion of all Series E Shares). The Skyline Private Placement was completed pursuant to the terms and conditions of the subscription agreement dated August 14, 2023, which contained customary representations, warranties and covenants from each of ECN Capital and Skyline Champion (the "Subscription Agreement"). Upon closing of the Skyline Private Placement, Tawn Kelley, a member of the board of directors of Skyline Champion, was appointed to the board of directors of ECN Capital (the "Board"), as well as to the Credit and Risk Committee of the Board.

The Series E Shares are convertible on a one-for-one basis into an aggregate of 27,450,000 Common Shares based on an initial liquidation preference and conversion price equal to the Share Issue Price, each of which are subject to customary anti-dilution adjustments in accordance with the terms of the Series E Shares.

On closing of the Skyline Private Placement, ECN Capital and Skyline Champion entered into an investor rights agreement dated September 26, 2023 (the “Investor Rights Agreement”). The Investor Rights Agreement provides for, among other things, (i) board representation rights, including the right to designate one nominee for election or appointment to the Board for so long as Skyline Champion beneficially owns at least 10% of the outstanding Common Shares of the Corporation (on a non-diluted basis, but assuming conversion of all of its Series E Shares into Common Shares); (ii) customary piggyback registration rights and pre-emptive rights; (iii) top-up rights for so long as Skyline Champion beneficially owns at least 10% of the outstanding Common Shares of the Corporation (on a non-diluted basis, but assuming conversion of all of its Series E Shares into Common Shares); and (iv) standstill and voting support obligations and certain other rights and restrictions.

In connection with the Skyline Private Placement, ECN Capital and Skyline Champion formed Champion Financing LLC (“Champion Financing”), a captive finance company that is 51% owned by an affiliate of Skyline Champion and 49% owned by Triad. Champion Financing will provide a tailored retail finance loan program for customers and a new branded floorplan offering for Skyline Champion, its affiliates and their independent retailers in the manufactured home finance space and will operate with services provided by Triad.

Champion Financing is expected to (i) drive greater demand for product by providing broader and more attractive financing options and services for Skyline Champion’s customers; (ii) enhance Skyline Champion’s turn-key homebuying solutions while magnifying the benefits of their digital and direct-to-consumer strategic investments; and (iii) generate increased retail loan originations and floorplan balances, driving growth and scale efficiencies for Triad.

The Skyline Private Placement, including the complete terms and conditions of the Series E Shares, the Investor Rights Agreement and the Subscription Agreement, and the formation of Champion Financing, are summarized in ECN Capital’s related material change report which, together with the material transaction documents, are available on SEDAR+ at www.sedarplus.com. See “*Material Contracts – Investor Rights Agreement*” for further information on the Investor Rights Agreement.

Acquisitions

IFG

On July 1, 2022, the Corporation paid cash consideration of \$55.8 million and deferred consideration of \$18.3 million to acquire all of the outstanding equity interests in IFG. Following the acquisition, IFG, together with Source One, formed a new RV & Marine Finance operating segment.

Source One

On December 21, 2021, the Corporation paid cash consideration of \$91.6 million to acquire Source One. The completion of this transaction marked the Corporation’s first acquisition under its tuck-in acquisition strategy.

Dispositions

Red Oak RV & Marine Inventory Finance Sale Transaction

On February 21, 2024, ECN Capital completed the sale of Red Oak to a third-party investor for gross cash proceeds of approximately \$153 million, subject to final working capital adjustments. The sale of Red Oak provided the Corporation with gross cash proceeds that it used to immediately repay amounts owing under its Senior Credit Facility (as defined herein). Such capital will be available for the Corporation to redeploy into its operating businesses to support growth opportunities when identified or required.

Kessler Group Sale Transaction

On October 4, 2022, the Corporation completed the sale of all of the issued and outstanding equity interests in ECN Kessler Holdco LLC, a wholly-owned, indirect subsidiary of the Corporation through which ECN Capital operates the Kessler Group business, to funds managed by Stone Point Capital LLC for cash proceeds of approximately \$200 million plus approximately \$9 million of additional capital returned prior to the closing of the transaction.

Legacy Businesses

In 2017, ECN Capital announced its strategic plan to redeploy capital from sales of the Corporation's legacy commercial and vendor finance assets, legacy rail assets and its legacy aviation business (the "Legacy Businesses") into asset-light businesses. Since the announcement of this strategic plan, ECN Capital has completed numerous strategic divestitures of its Legacy Businesses' assets, including the completion of its exit from the commercial and vendor finance business in 2018 and the accelerated wind down of its legacy aviation finance business, with a view to exit such Legacy Businesses. On December 30, 2021, the Corporation closed a transaction to sell its remaining railcar assets to Trinity Industries Leasing Company for cash proceeds of approximately \$19.5 million. This transaction completed ECN Capital's exit from its legacy rail finance business, and the Corporation has now completed its strategic transition. These Legacy Business divestitures provided ECN Capital with capital resources that it redeployed into the acquisitions of each of its scalable asset-light business platforms and other capital redeployment initiatives.

Service Finance Transaction

On December 6, 2021, the Corporation completed the sale of all of the issued and outstanding equity interests in each of Service Finance Company, LLC and Service Finance Holdings, LLC (together "Service Finance"), each a wholly-owned indirect subsidiary of the Corporation, to Truist Bank, the wholly-owned bank subsidiary of Truist Financial Corporation, for cash proceeds of approximately \$2.05 billion (the "Service Finance Transaction"). Following the closing of the Service Finance Transaction, the Corporation paid a distribution of C\$7.50 per common share, or approximately \$1.4 billion (C\$1.8 billion), from the net proceeds of the Service Finance Transaction to its common shareholders. See "*General Development of the Business – Strategic Transactions – Corporate Finance Developments – Special Distribution and Stated Capital Reduction*" for further information.

Corporate Finance Developments

- Common Share Normal Course Issuer Bid: On September 14, 2020, the TSX approved the renewal of the Corporation's normal course issuer bid for its Common Shares for commencement on September 17, 2020 (the "2020 Common Share NCIB") and ending on the earlier of September 16, 2021 and the completion of purchases under the 2020 Common Share NCIB. Pursuant to the 2020 Common Share NCIB, the Corporation was permitted to repurchase up to an additional 22,432,925 Common Shares, representing approximately 10% of the public float of the Common Shares. The Corporation repurchased a total of 4,913,482 Common Shares pursuant to the 2020 Common Share NCIB. On September 14, 2021, the TSX approved the renewal of the 2020 Common Share NCIB for commencement on September 17, 2021 (the "2021 Common Share NCIB") and ending on the earlier of September 16, 2022 and the completion of purchases under the 2021 Common Share NCIB. Pursuant to the 2021 Common Share NCIB, the Corporation was permitted to repurchase up to an additional 22,455,925 Common Shares, representing approximately 10% of the public float of the Common Shares. The Corporation repurchased a total of 653,976 Common Shares pursuant to the 2021 Common Share NCIB. On September 14, 2022, the TSX approved the renewal of the 2021 Common Share NCIB for commencement on September 19, 2022 (the "2022 Common Share NCIB") and ending on the earlier of September 18, 2023 and the completion of purchases under the 2022 Common Share NCIB. Pursuant to the 2022 Common Share NCIB, the Corporation was permitted to repurchase up to an additional 22,170,050 Common Shares, representing approximately 10% of the public float of the Common Shares. The Corporation repurchased no Common Shares pursuant to the 2022 Common Share NCIB. On September 18, 2023, the TSX approved the renewal of the 2022 Common Share NCIB for commencement on September 21, 2023 (the "2023 Common Share NCIB") and ending on the earlier of September 20, 2024 and the completion of purchases under the 2023 Common Share NCIB. Pursuant to the 2023 Common Share NCIB,

the Corporation may repurchase up to an additional 6,329,034 Common Shares, representing approximately 5% of the public float of the Common Shares.

As at March 1, 2024, ECN Capital had repurchased a total of nil Common Shares pursuant to the 2023 Common Share NCIB. Any shareholder may obtain, without charge, a copy of the notice of intention to renew its normal course issuer bid in respect of the 2023 Common Share NCIB filed with the TSX by contacting the Corporation at generalinfo@ecncapitalcorp.com.

- Preferred Share Normal Course Issuer Bid: On September 14, 2020, the TSX approved the Corporation's preferred share normal course issuer bid for commencement on September 17, 2020 (the "2020 Preferred Share NCIB") and ending on the earlier of September 16, 2021 and the completion of purchases under the 2020 Preferred Share NCIB. Pursuant to the 2020 Preferred Share NCIB, the Corporation was permitted to repurchase up to 399,900 Series A Shares and 399,800 Series C Shares, representing approximately 10% of the public float of the Series A Shares and of the Series C Shares, respectively. The Corporation repurchased a total of 156,900 Series A Shares and 287,600 Series C Shares pursuant to the 2020 Preferred Share NCIB. On September 14, 2021, the TSX approved the renewal of the 2020 Preferred Share NCIB for commencement on September 17, 2021 (the "2021 Preferred Share NCIB") and ending on the earlier of September 16, 2022, and the completion of purchases under the 2021 Preferred Share NCIB. Pursuant to the 2021 Preferred Share NCIB, the Corporation was permitted to repurchase up to an additional 384,210 Series A Shares and 371,040 Series C Shares, representing approximately 10% of the public float of the Series A Shares and of the Series C Shares, respectively. During the year ended December 31, 2021, ECN Capital redeemed 49,100 Series A Shares pursuant to the 2021 Preferred Share NCIB and on December 31, 2021, the Corporation redeemed 3,843,100 Series A Shares, representing all of the issued and outstanding Series A Shares (See "*Series A Share Redemption*" below for further information). The Corporation did not repurchase any Series C Shares pursuant to the 2021 Preferred Share NCIB. On September 14, 2022, the TSX approved the renewal of the 2021 Preferred Share NCIB for commencement on September 17, 2022 (the "2022 Preferred Share NCIB") and ending on the earlier of September 19, 2023 and the completion of purchases under the 2022 Preferred Share NCIB. Pursuant to the 2022 Preferred Share NCIB, the Corporation was permitted to repurchase up to 371,040 Series C Shares, representing approximately 10% of the public float of the Series C Shares. The Corporation did not repurchase any Series C Shares pursuant to the 2022 Preferred Share NCIB. On September 18, 2023, the TSX approved the renewal of the 2022 Preferred Share NCIB for commencement on September 21, 2023 (the "2023 Preferred Share NCIB") and ending on the earlier of September 20, 2024 and the completion of purchases under the 2023 Preferred Share NCIB. Pursuant to the 2023 Preferred Share NCIB, the Corporation may repurchase up to 371,240 Series C Shares, representing approximately 10% of the public float of the Series C Shares.

As at March 1, 2024, ECN Capital had repurchased a total of nil Series C Shares pursuant to the 2023 Preferred Share NCIB. Any shareholder may obtain, without charge, a copy of the Corporation's notice of intention to make its normal course issuer bid in respect of the 2023 Preferred Share NCIB filed with the TSX by contacting the Corporation at generalinfo@ecncapitalcorp.com.

- Series A Share Redemption: On November 23, 2021, ECN Capital announced its intention to redeem all of its issued and outstanding Series A Shares on December 31, 2021. On December 31, 2021, 3,843,100 Series A Shares, representing all of the issued and outstanding Series A Shares, were redeemed at a redemption price equal to \$25.00 per Series A Share, together with all accrued and unpaid dividends up to but excluding the redemption date, less any tax required to be deducted and withheld by ECN Capital.
- Special Distribution and Stated Capital Reduction: On December 6, 2021, in connection with the Service Finance Transaction, the Board declared a distribution to the holders of Common Shares of the net proceeds received from the Service Finance Transaction (less transaction fees and expenses), amounting to a distribution of C\$7.50 per Common Share (the "Special Distribution"). The Special Distribution was paid on December 22, 2021 to holders of record of Common Shares as of the close of business on December 15, 2021. The Special Distribution was comprised of a return of capital in the aggregate amount of C\$1,010,500,000, which represented approximately C\$4.14 per Common Share (the "Return of Capital"), with the remainder in the form of a special dividend in the amount of C\$3.36 per Common Share (the "Special Dividend"). In connection with the Return of Capital, the Board confirmed a reduction in the stated capital

of the Common Shares by an aggregate amount equal to C\$1,010,500,000 (the “Stated Capital Reduction”), which Stated Capital Reduction was previously approved by holders of Common Shares at a special meeting held on December 2, 2021. The Special Distribution was ultimately paid on December 22, 2021 to holders of record of Common Shares as of the close of business on December 15, 2021.

- Series C Share Rate Reset: On June 20, 2022, the fixed annual dividend rate for the Series C Shares for the five-year period from and including June 30, 2022 to but excluding June 30, 2027, was reset from 6.25% to 7.937%. In accordance with the terms of the Series C Shares, the fixed annual dividend rate will be reset on June 30, 2027, and every five years thereafter.

Debenture Offerings

- On September 4, 2020, the Corporation issued C\$75.0 million (\$57.1 million) aggregate principal amount of debentures due December 31, 2025 at a price of C\$1,000 per Debenture (the “2025 Debentures”). The 2025 Debentures bear interest at a rate of 6.0% per annum, payable semi-annually in arrears on June 30 and December 31 of each year, beginning on December 31, 2020, and mature on December 31, 2025. The 2025 Debentures commenced trading on the TSX on September 4, 2020 under the ticker symbol “ECN.DB”. See “*Description of Share Capital – Debentures – 2025 Debentures*”.
- On October 28, 2021, the Corporation issued C\$75.0 million (\$61.1 million) aggregate principal amount of debentures due December 31, 2026 at a price of C\$1,000 per Debenture (the “2026 Debentures”). The 2026 Debentures bear interest at a rate of 6.0% per annum, payable semi-annually in arrears on June 30 and December 31 of each year, beginning on December 31, 2021, and mature on December 31, 2026. The 2026 Debentures commenced trading on the TSX on October 28, 2021 under the ticker symbol “ECN.DB.A”. See “*Description of Share Capital – Debentures – 2026 Debentures*”.
- On December 23, 2021, the Corporation issued C\$60.0 million (\$46.9 million) aggregate principal amount of debentures due December 31, 2027 at a price of C\$1,000 per Debenture (the “2027 Debentures”). The 2027 Debentures bear interest at a rate of 6.25% per annum, payable semi-annually in arrears on June 30 and December 31 of each year, beginning on June 30, 2022, and mature on December 31, 2027. The 2027 Debentures commenced trading on the TSX on December 23, 2021 under the ticker symbol “ECN.DB.B”. See “*Description of Share Capital – Debentures – 2027 Debentures*”.

Senior Credit Facility

On December 6, 2021, in connection with the completion of the Service Finance Transaction, ECN Capital entered into an amendment and restatement of its senior credit facility (as subsequently amended, the “Senior Credit Facility”) that, among other things, extended the maturity date to December 6, 2025. The maximum amount available under the Senior Credit Facility was reduced from \$1,000,000,000 to \$700,000,000, with the option to request increases in a maximum aggregate amount not exceeding \$200,000,000, which ECN Capital subsequently obtained in full in July 2022. Accordingly, the total maximum amount available under the Senior Credit Facility is \$900,000,000. The Senior Credit Facility is agented by a Canadian bank with a syndicate of seven major Canadian and global financial institutions. The Senior Credit Facility provides for advances denominated in U.S. and Canadian dollars and is available for general corporate purposes, including for working capital purposes. The Senior Credit Facility bears interest based upon the issuer rating of ECN Capital, and is currently at the Prime Rate plus 1.0% per annum or the CORRA Rate plus 2.0% per annum, on outstanding Canadian denominated balances, and the Base Rate plus 1.0% per annum or the SOFR Rate plus 2.0% per annum, on outstanding U.S. denominated balances (as each such term is defined in the Senior Credit Facility). As at December 31, 2023, the unutilized balance of the facility was \$151,810,000.

ECN Capital’s obligations under the Senior Credit Facility are secured by, among other things, the following documents in favour of the Collateral Agent (as such term is defined in the Senior Credit Facility) for the benefit of the lenders: (i) a general security agreement consisting of a first priority security interest on all property of ECN Capital and certain of its subsidiaries, (ii) guarantees delivered by ECN Capital (with respect to the obligations of ECN (US) Holdings Corp., as U.S. borrower under the Senior Credit Facility) and certain of its subsidiaries, and (iii) pledges by ECN Capital and the other guarantors of the shares of certain subsidiaries.

The credit agreement governing the Senior Credit Facility contains customary terms and conditions for a credit facility of this nature, including customary representations and warranties, covenants, events of default and drawdown conditions (which include, among other things, accuracy of representations and warranties and no existing defaults). If an event of default occurs and is continuing under the Senior Credit Facility, the Administrative Agent (as such term is defined in the Senior Credit Facility) may declare all advances under the Senior Credit Facility to be immediately due and payable and cancel all commitments of the lenders to make further advances under the Senior Credit Facility.

Changes to the Board of Directors and Executive Officers

On March 21, 2024, ECN Capital announced that Michael Lepore resigned as Chief Financial Officer and that Jacqueline Weber, Vice President, Controller, had been appointed Chief Financial Officer commencing April 1, 2024.

On September 26, 2023, upon closing of the Skyline Private Placement, Tawn Kelley was appointed to the Board and the Credit and Risk Committee of ECN Capital.

Director Pierre Lortie did not stand for re-election at the 2023 annual meeting of shareholders.

DESCRIPTION OF THE BUSINESS

ECN Capital owns a portfolio of operating businesses that operate under a fee-based, asset-light model through which it leverages highly specialized expertise, industry knowledge, regulatory compliance and strategic relationships. This specialized business model provides significant barriers to entry. The Corporation's core investor companies are: Triad, Source One and IFG. ECN Capital has managed assets of continuing operations of approximately \$4.9 billion and its customers include more than 100 bank, credit union, insurance company, pension plan and institutional investor partners. ECN Capital partners with these financial institutions rather than competing with them. Specifically, ECN Capital's Partners are the decision makers inside each institution who are looking for appropriate portfolio solutions to match customer deposits, term insurance and other liabilities. ECN Capital meets its customer needs by offering the following portfolio solutions:

- Manufactured Housing Finance; and
- RV and Marine Finance.

ECN Capital's Business Platform Segments

ECN Capital's business is conducted through two scalable platform segments that were established with its investments in its operating companies, which consist of: (i) Triad Financial Services – manufactured home loans; and (ii) Source One and IFG – RV & Marine Finance.



Manufactured Housing Finance – Triad Financial Services

The Triad segment was formed on December 29, 2017 following the completion of ECN Capital's acquisition of Triad. Founded in 1959, Triad is the oldest manufactured housing finance company in the U.S. Triad is a portfolio solutions platform focused on originating and managing longer duration secured consumer loan portfolios for 50+ active Partners. These assets are primarily prime and super-prime loans to consumers for the purchase of manufactured homes throughout the U.S. Originations are sourced through a long-established national network of dealers and

manufacturers. Triad's Fitch-rated servicing department manages the growing portfolio of manufactured housing loans on behalf of their third party owners. In addition, Triad provides floorplan financing for dealers and manufacturers in the industry.

Triad operates through three business segments: (i) originating manufactured housing loan transactions (the manufactured housing loans segment); (ii) assisting third parties in servicing, underwriting, and originating manufactured housing loan transactions (the managed only segment); and (iii) providing floor plan financing for select dealers and manufacturers (the floorplan segment). The floorplan financing program is offered only to established dealers and manufacturers, and the Corporation believes that it drives significant new application volume.

Triad does not rely on the use of a third-party bank charter for federal pre-emption in respect of compliance processes and engages in extensive dealer underwriting and monitoring with continuous dealer review and annual dealer renewal. On June 14, 2023, Fitch Ratings, Inc. ("Fitch") upgraded Triad's residential primary specialty servicer rating for manufactured housing from "RPS3" to "RPS3+". See "*Ratings – Fitch Ratings*" for further information.

Through a dedicated management team with between 20 to over 40 years of industry experience, Triad currently manages approximately \$4.9 billion in outstanding loans and maintains a national network of 3,000 dealer relationships. Triad is headquartered in Jacksonville, Florida and maintains licensed operations in 47 states.

RV & Marine Finance – Source One Financial Services and Intercoastal Financial Group

Source One and IFG make up the RV & Marine Finance segment.

Source One was acquired by ECN Capital on December 21, 2021. Founded in 1999, Source One is a provider of consumer lending programs and outsourced finance and insurance solutions to the RV and marine industries. Through an established and growing network of dealers covering 40+ states, Source One originates prime and super-prime loans to consumers to facilitate the purchase of recreational and marine vehicles. Source One is headquartered in Lakeville, Minnesota and is licensed in 47 states.

IFG was acquired by ECN Capital on July 1, 2022. Founded in 1987, IFG is also a provider of consumer lending programs to the RV and marine industries. Through an established network of sales representatives nationwide, IFG originates prime and super-prime loans to consumers to facilitate the purchase of recreational and marine vehicles. IFG is headquartered in Vero Beach, Florida.

Growth Strategy

During over forty years of cumulative experience, ECN Capital's management has pursued a strategy of successfully deploying capital within asset classes that comprise the specialty finance sector. This strategy has a number of key drivers:

- building robust specialty finance business platforms that have grown and prospered, even in difficult cycles, and acting opportunistically, within a specific framework, to maximize returns through the cycle;
- engaging take share/make share growth strategies to expand and monetize existing business endeavors while simultaneously adding complementary products;
- expanding and diversifying relationships with key Partners to (1) broaden the partnership to include new relationships, (2) adding new funding Partners, including through the introduction of incremental products, (3) creating long term funding partnerships by extending our term with key Partners, and (4) expand existing relationships through an enhanced menu of products;
- entering into joint ventures, such as Champion Financing, which will allow ECN Capital to grow its business and create value for its stakeholders by driving greater demand for product by generating increased retail loan originations and floorplan balances, driving growth and scale efficiencies for Triad;

- developing and providing new loan products designed to monetize existing scale and drive significant economics at high margin over time;
- continuing to develop its exclusive and preferred manufacturer and dealer relationships in attractive end market verticals that bring vetted dealer networks to drive volume at low cost;
- scaling robust businesses organically and through acquisitions to help enable the Corporation to competitively position itself against banks and institutional investors;
- designing optimal capital structures that provide broad and flexible access to debt and equity funding sources; and
- pursuing tuck-in acquisition opportunities that meet the Corporation's high standards, which includes immediately accretive transactions with material growth opportunities.

ECN Capital believes it has a proven model that drives value creation and shareholder returns, and it will pursue strategic and accretive tuck-in acquisition opportunities. Any tuck-in acquisition opportunities must be consistent with ECN Capital's established business model and have one or more of the following attributes: (i) immediately accretive transactions that enhance franchise value, (ii) asset-light, fee-oriented business, (iii) high quality credit assets in demand by existing funding partners and that are non-recourse to ECN Capital (or the portfolio business), (iv) is partnered with or has the ability to partner with top tier financial institutions or Partners, (v) limited integration risk and uncertainties, and (vi) high visibility on driving growth through ECN Capital's established processes. In addition, the Corporation's "tuck-in" strategy is focussed on businesses where ECN Capital can leverage its existing core competencies, primarily consisting of (a) high quality origination franchises where growth prospects can be enhanced through ECN Capital's services, (b) complementary products for existing business Partners and (c) capability enhancing platforms, such as servicing opportunities.

Competition

ECN Capital's markets are highly competitive and characterized by various competitive factors that vary by business segment and by region.

ECN Capital believes it is well positioned to compete by means of having an experienced management team, both at the corporate level and at each of its business segments, with a track record of success, access to capital, as well as strong relationships with end-user customers, vendors, and financial institutions.

ECN Capital continues to view the specialty finance business broadly. The Corporation anticipates its competitors as including private equity-backed asset managers, loan originators and specialty finance subsidiaries of large North American public companies and major financial institutions. In the Manufactured Housing Finance and RV & Marine Finance segments, ECN Capital's strategy is to partner rather than compete with its Partners, including banks, credit unions, life insurance companies and investments within those spaces to mitigate competition for customers with its Partners.

ECN Capital will compete in the markets covered by its business segments on a transaction-by-transaction and fund-by-fund basis through its deep knowledge of asset values acquired through multiple business cycles, its ability to provide superior loan portfolio servicing capabilities, and its deep relationships with its established network of Partners, as well as other institutional investors that are known to participate in the relevant funding structures.

Employees

As of December 31, 2023, ECN Capital had approximately 620 employees in the U.S. and Canada, composed of 19 corporate head office employees and 601 employees in its operational subsidiaries. None of ECN Capital's employees are represented by a collective bargaining agreement and ECN Capital has never experienced any work stoppages. ECN Capital has employment, non-solicitation and non-competition agreements with each of its senior executives and originators. ECN Capital considers its relationships with its employees to be strong and views its employees as an important competitive advantage. Historically, ECN Capital has been successful in retaining its key

employees including members of its senior management team. ECN Capital's senior management team has an in-depth knowledge of equipment and other asset finance, and of the financial services industry, in general. The experience of ECN Capital's senior management is augmented with strong senior management teams in the Corporation's operating companies.

Commitment to Environmental, Social and Governance Mandates

The Corporation's management team and Board are committed to improving ESG policy and impact. In 2020, ECN Capital formally established the ESG Management Committee (the "ESG Committee") to address the Corporation's ESG impacts and disclosure. The ESG Committee, together with the Board, developed ECN Capital's ESG strategies and priorities for 2021. In 2021, the Corporation reinforced its commitment to improving its ESG policies and impact, including via the review of Service Finance's and Triad's loan programs, from an ESG perspective, by Sustainalytics and via diversity initiatives with respect to Board, management and overall employee representation. The Corporation has met with numerous industry stakeholders, including shareholders, standard setters, rating agencies, sustainability organizations and ESG experts. The Corporation has also established ESG priorities, including following the Sustainability Accounting Standards Board Guidelines and maintaining at least 30% female representation on the Board. Our Chief Executive Officer became a founding member of the Canadian chapter of the 30% Club in 2017, whose mission is for women to represent at least 30% of board members. ECN Capital's Board currently has approximately 43% women members.

Triad is also uniquely situated in attractive end markets with positive ESG tailwinds. Triad supports ESG initiatives by financing green housing construction with minimal waste compared to site-built homes, resulting in homes with lower carbon footprints and reductions in waste and energy costs.

In addition to Triad's ESG mandates, the Corporation is also implementing several other environmental initiatives across all business units, including: (i) developing and implementing processes and systems to reduce paper consumption of our operating companies, and lender/dealer partners; and (ii) reducing the Corporation's carbon footprint through decommissioning of a legacy remote back-up system.

DIVIDENDS

The declaration and payment of dividends is at the sole discretion of the Board and may vary depending on a variety of factors and conditions, including the Corporation's financial results, capital requirements, available cash flow, the need for funds to finance ongoing operations, strategic opportunities or other obligations, contractual restrictions and covenants, solvency tests imposed by corporate law and other factors that the Board may deem relevant. The Board reviews ECN Capital's dividend policy periodically in the context of the Corporation's earnings, financial condition and other relevant factors. As a result, the Corporation is dependent upon cash dividends and distributions and other transfers from its subsidiaries to make dividend payments on the Common Shares. In addition, the Corporation's subsidiaries are permitted to pay dividends to the Corporation subject to general restrictions imposed on dividend payments under the jurisdiction of incorporation or organization of each subsidiary. The agreements governing ECN Capital's indebtedness, such as the Senior Credit Facility, and agreements governing any of the Corporation's future indebtedness, may contain various covenants that limit our ability to pay dividends. See "*Risk Factors*".

Common Share Dividends

The table below provides all quarterly dividends paid per Common Share since 2021. Following the completion of the Service Finance Transaction and payment of the Special Distribution, the Board reviewed the Corporation's dividend policy in the context of the Corporation's earnings, financial condition, the size of its operations following the Service Finance Transaction and other relevant factors. On March 21, 2024, the Corporation announced a cash dividend in the amount of C\$0.01 per Common Share payable on April 19, 2024, to shareholders of record as of April 9, 2024.

	2023		2022		2021	
	Amount (C\$)	Date Paid	Amount (C\$)	Date Paid	Amount (C\$)	Date Paid
Q1	\$0.01	April 20	\$0.01	March 31	\$0.03	March 31
Q2	\$0.01	June 30	\$0.01	June 30	\$0.03	June 30
Q3	\$0.01	October 2	\$0.01	October 3	\$0.03	September 30
Q4	\$0.01	January 2 (2024)	\$0.01	December 30	N/A ⁽¹⁾	N/A ⁽¹⁾

⁽¹⁾ In lieu of a quarterly dividend, the Special Distribution was paid out in the fourth quarter of 2021 pursuant to the Service Finance Transaction.

Preferred Share Dividends

Series A Shares

The table below provides all quarterly dividends paid per Series A Share in 2021. On December 31, 2021, the Corporation redeemed all 3,843,100 of the Corporation's issued and outstanding Series A Shares. Consequently, the December 31, 2021 quarterly dividend on the Series A Shares was the final dividend paid on the Series A Shares and holders received on redemption of the Series A Shares all accrued and unpaid dividends up to but excluding the redemption date.

	2021	
	Amount (C\$)	Date Paid
Q1	\$0.40625	April 1
Q2	\$0.40625	June 30
Q3	\$0.40625	September 30
Q4	\$0.40625	December 31

Series C Shares

The table below provides all quarterly dividends paid per Series C Share since 2021. Under the terms of the Series C Shares, the holders thereof were entitled to receive fixed, cumulative, preferential, cash dividends, if, as and when declared by the Board from the date of issuance (being May 25, 2017) up to, but excluding, June 30, 2022 payable quarterly on the last business day of September, December, March and June of each year at an annual rate of C\$1.5625 per share. On June 20, 2022, the fixed annual dividend rate for the Series C Shares for the five-year period from and including June 30, 2022 to but excluding June 30, 2027, was reset from 6.25% to 7.937%. Following this rate reset in accordance with the terms of the Series C Shares, under the terms of the Series C Shares, the holders thereof are entitled to receive fixed, cumulative, preferential, cash dividends, if, as and when declared by the Board from June 30, 2022 up to, but excluding, June 30, 2027 payable quarterly on the last business day of September, December, March and June of each year at an annual rate of C\$1.98425 per share. On March 15, 2024, the Corporation announced a cash dividend in the amount of C\$0.4960625 per Series C Share payable on April 1, 2024, to shareholders of record as of March 22, 2024.

	2023		2022		2021	
	Amount (C\$)	Date Paid	Amount (C\$)	Date Paid	Amount (C\$)	Date Paid
Q1	\$0.4960625	March 31	\$0.390625	March 31	\$0.390625	March 31
Q2	\$0.4960625	June 30	\$0.390625	June 30	\$0.390625	June 30
Q3	\$0.4960625	October 2	\$0.4960625	October 3	\$0.390625	September 30
Q4	\$0.4960625	January 2 (2024)	\$0.4960625	January 3 (2023)	\$0.390625	December 31

Series E Shares

The table below provides all semi-annual dividends paid per Series E Share since September 26, 2023, the date the Series E Shares were issued. Under the terms of the Series E Shares, the holders thereof are entitled to receive fixed, cumulative, preferential, cash dividends, if as and when declared by the Board, at a rate of 4.0% per annum on the liquidation preference, payable on the last calendar day of June and December in each year. Upon closing of the Skyline Private Placement on September 26, 2023, ECN Capital issued 33,550,000 Series E Shares to Skyline Champion.

	2023	
	Amount (C\$)	Date Paid
H1	N/A	N/A
H2	\$0.03198	January 2 (2024)

Return of Capital and Special Dividend

On December 6, 2021, in connection with the Service Finance Transaction, the Board declared the Special Distribution of C\$7.50 per Common Share, or approximately \$1.4 billion (C\$1.8 billion), from the net proceeds to its common shareholders. The Special Distribution was comprised of the Return of Capital in the aggregate amount of C\$1,010,500,000, which represented approximately C\$4.13 per Common Share, with the remainder in the form of a Special Dividend in the amount of C\$3.37 per Common Share. The Special Dividend was designated to be an eligible dividend for the purposes of section 89(1) of the *Income Tax Act* (Canada). The Special Distribution was paid on December 22, 2021 to holders of Common Shares of record as of the close of business on December 15, 2021.

DESCRIPTION OF SHARE CAPITAL

General

The authorized capital of ECN Capital consists of an unlimited number of Common Shares and an unlimited number of Preferred Shares, issuable in series. As at March 27, 2024, there were 279,946,742 Common Shares issued and outstanding, nil Series A Shares issued and outstanding, nil Cumulative Floating Rate Preferred Shares, Series B

("Series B Shares") issued and outstanding, 3,712,400 Series C Shares issued and outstanding, nil Cumulative Floating Rate Preferred Shares, Series D ("Series D Shares") issued and outstanding and 27,450,000 Series E Shares issued and outstanding. The following is a summary of the rights, privileges, restrictions and conditions attaching to the Common Shares and the Preferred Shares.

Common Shares

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

Preferred Shares

The Preferred Shares of ECN Capital may at any time and from time to time be issued in one or more series. The Board may fix, before the issuance thereof, the number of preferred shares of each series, the designation, rights, privileges, restrictions and conditions attaching to the Preferred Shares of each series, including, without limitation, any voting rights, any right to receive dividends (which may be cumulative or non-cumulative, variable or fixed) or the means of determining such dividends, the dates of payment thereof, any terms and conditions of redemption or purchase, any conversion rights, and any rights on the liquidation, dissolution or winding-up of ECN Capital, any sinking fund or other provisions, the whole to be subject to the issuance of a certificate of amendment setting forth the designation, rights, privileges, restrictions and conditions attaching to the Preferred Shares of the applicable series.

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

Series A Shares and Series B Shares

On December 31, 2021, ECN Capital redeemed all outstanding Series A Shares, in accordance with the terms of the Series A Shares, for \$25.00 per Series A Share. No Series A Shares were converted into Series B Shares.

Series C Shares and Series D Shares

The holders of Series C Shares were initially entitled to receive fixed, cumulative, preferential, cash dividends at an annual rate of C\$1.5625 per share, payable quarterly on the last business day of March, June, September and December in each year, if, as and when declared by the Board, for the initial fixed rate period to, but excluding, June 30, 2022. The dividend rate was reset on June 30, 2022 to 7.937% and will be reset on June 30, 2027 and every five years thereafter at a *per annum* rate equal to the sum of the then five-year Government of Canada bond yield, plus 5.19%; provided that, in any event, such dividend rate shall not be less than 6.25% *per annum*. In the event of liquidation, dissolution or winding up of ECN Capital, the holders of Series C Shares shall be entitled to receive C\$25.00 per Series C Share, together with an amount equal to all accrued and unpaid dividends up to, but excluding, the date of payment or distribution (less any amounts deducted or withheld to pay applicable taxes), before any amount is paid, or any assets of the Corporation are distributed, to the holders of any shares ranking junior in right as to capital to the holders of Series C Shares.

The Series C Shares are redeemable by ECN Capital, in whole or in part, at its option, on June 30, 2027 and on June 30 of every fifth year thereafter at a price of C\$25.00 per share, together with all accrued and unpaid dividends thereon up to, but excluding, the date fixed for redemption (less any amounts deducted or withheld to pay applicable taxes). Subject to ECN Capital's right to redeem the Series C Shares as described in the preceding sentence, the holders of Series C Shares have the right to convert their shares into Series D Shares, subject to certain conditions, on June

30, 2027 and on June 30 of every fifth year thereafter. The holders of Series D Shares will be entitled to receive floating-rate, cumulative, preferential, cash dividends, payable quarterly on the last business day of March, June, September and December of each year, if, as and when declared by the Board, at a *per annum* rate equal to the sum of the then 90-day Government of Canada treasury bill rate, plus 5.19%; provided that, in any event, such dividend rate shall not be less than 6.25% *per annum*, and will have the right to convert their Series D Shares into Series C Shares, subject to certain conditions, on June 30, 2027 and on June 30 every five years thereafter. Each Series D Share is redeemable by ECN Capital, in whole or in part, at its option, on any date after June 30, 2027, for a payment in cash to the holder thereof in the amount of: (a) C\$25.00, in the case of redemptions on June 30, 2027 and on June 30 every five years thereafter (each a “Series D Redemption Date”), or (b) C\$25.50, in the case of redemptions on any date which is not a Series D Redemption Date after June 30, 2027, in each case together with all accrued and unpaid dividends thereon up to, but excluding, the date fixed for redemption (less any amounts deducted or withheld to pay applicable taxes).

Series E Shares

Upon closing of the Skyline Private Placement, ECN Capital amended its articles to create the Series E Shares, a new series of mandatory convertible preferred shares.

The Series E Shares are initially convertible on a one-for-one basis into an aggregate 27,450,000 Common Shares based on an initial liquidation preference and conversion price equal to the Share Issue Price of C\$3.04, each of which is subject to customary anti-dilution adjustments in accordance with the terms of the Series E Shares. In accordance with the terms of the Series E Shares, certain adjustments shall be made to the conversion price to account for, among other things (i) issuances of additional Common Shares to all or substantially all holders of Common Shares; (ii) share splits or combinations; (iii) certain rights, options and warrants; (iv) the payment of cash dividends on Common Shares in excess of ECN Capital’s current quarterly dividend; (v) certain distributions, including spin-offs; and (vi) capital reorganizations.

The Series E Shares are convertible at any time at the option of Skyline Champion, are convertible at the option of ECN Capital in connection with a change of control of ECN Capital and will automatically convert into Common Shares on the fifth anniversary of closing of the Skyline Private Placement.

Unless necessary approvals of ECN Capital’s shareholders have been obtained (which ECN Capital shall not be obligated to obtain), in the event of any conversion of Series E Shares would result in Skyline Champion beneficially owning in excess of 19.9% of outstanding Common Shares (the “Conversion Cap”), then in lieu of delivering Common Shares in excess of the Conversion Cap, ECN Capital will repurchase for cancellation the Series E Shares that are not convertible at a price per each whole Common Shares that is not issuable equal to the fair market of the Common Shares or, in the case of a change of control transaction, the greater of the fair market value of the Common Shares and the consideration payable pursuant to the change of control transaction for each Common Share.

Except as otherwise required by law, the holders of the Series E Shares and the Common Shares will vote together as a single class on all matters submitted to a vote of the shareholders of ECN Capital. Each Series E Share will be entitled to one vote per share and each holder of Series E Shares will be deemed to hold such number of Series E Shares that is equal to the number of Common Shares into which the Series E Shares are convertible pursuant to their terms as of the applicable record date for the determination of shareholders entitled to vote at such shareholders meeting.

The holders of Series E Shares are entitled to receive fixed, cumulative, preferential, cash dividends at a rate of 4.0% per annum on the liquidation preference, payable semi-annually on the last calendar day of June and December in each year, if, as and when declared by the Board, from the date of issuance (being September 26, 2023). The holders of the Series E Shares will not have the right to receive any dividends that are declared only with respect to the Common Shares or any other series of preferred shares of ECN Capital.

Unless all accrued and unpaid dividends on the Series E Shares and on all other shares of the Corporation ranking prior to or on parity with the Series E Shares have been declared and paid, the Corporation will require the approval of holders of Series E Shares in order to pay certain cash dividends or redeem certain shares of the Corporation.

Subject to certain limited exceptions, the Corporation may not redeem any of the Series E Shares. Following the effective date of a change of control, ECN Capital shall have the right to redeem for cash all (but not less than all) of the then outstanding Series E Shares at a price per Series E Share equal to the fair market value of the consideration such holder would have received had such holder converted its Series E Shares in accordance with the their terms immediately prior to such change of control on the date that is twenty business days following the date of the change of control.

Debentures

2025 Debentures

On September 4, 2020, ECN Capital issued C\$75 million (\$57.1 million) aggregate principal amount of senior unsecured subordinated debentures due December 31, 2025, at a price of C\$1,000 per debenture (“2025 Debentures”), pursuant to an indenture (the “2025 Debentures Indenture”) entered into with Computershare Trust Company of Canada, as debenture trustee (the “Debenture Trustee”). The 2025 Debentures bear interest at a rate of 6.0% per annum, payable semi-annually on June 30 and December 31 of each year, with payments having commenced on December 31, 2020. The 2025 Debentures have a final maturity date of December 31, 2025.

The 2025 Debentures were not redeemable by the Corporation prior to December 31, 2023 (defined as the “First Call Date” under this section). On and after the First Call Date and prior to December 31, 2024, the 2025 Debentures are redeemable at the Corporation’s option, in whole or in part, at a redemption price equal to 103.0% of the principal amount of the 2025 Debentures redeemed plus accrued and unpaid interest. On and after December 31, 2024 and prior to the maturity date of December 31, 2025, the 2025 Debentures will be redeemable at the Corporation’s option, in whole or in part, at par plus accrued and unpaid interest.

Subject to required regulatory approvals and in accordance with the terms and conditions of the 2020 Indenture, ECN Capital may elect by notice from time to time (including at the time of redemption or maturity) to satisfy all or part of its interest payment obligations under the 2025 Debentures by issuing and delivering a sufficient number of freely tradeable Common Shares to the Debenture Trustee for sale (defined as the “Share Interest Payment Election” under this section) or a combination of the foregoing and cash.

Subject to any required regulatory approval and in accordance with the terms and conditions of the 2025 Debentures Indenture, ECN Capital may, at its option, upon not more than 60 and not less than 40 days’ prior notice, elect to satisfy its obligation to pay on redemption or at maturity, the principal amount of and premium, if any, on the 2025 Debentures, in whole or in part, by delivering freely tradeable Common Shares to holders of 2025 Debentures obtained by dividing the principal amount of the 2025 Debentures that are to be redeemed or repaid at maturity, as the case may be, and that are to be paid in Common Shares, by 95% of the Current Market Price (as defined in 2025 Debentures Indenture). Any accrued interest and unpaid interest will be payable in cash (subject to the Share Interest Payment Election as described above).

2026 Debentures

On October 28, 2021, ECN Capital issued C\$75 million (\$61.1 million) aggregate principal amount of senior unsecured subordinated debentures due December 31, 2026, at a price of C\$1,000 per debenture (“2026 Debentures”), pursuant to an indenture (the “2026 Debentures Indenture”) entered into with the Debenture Trustee. The 2026 Debentures bear interest at a rate of 6.0% per annum, payable semi-annually on June 30 and December 31 of each year, with payments having commenced on December 31, 2021. The 2026 Debentures have a final maturity date of December 31, 2026.

The 2026 Debentures are not redeemable by the Corporation prior to December 31, 2024 (defined as the “First Call Date” under this section). On and after the First Call Date and prior to December 31, 2025, the 2026 Debentures will be redeemable at the Corporation’s option, in whole or in part, at a redemption price equal to 103.0% of the principal amount of the 2026 Debentures redeemed plus accrued and unpaid interest. On and after December 31, 2025 and prior to the maturity date of December 31, 2026, the 2026 Debentures will be redeemable at the Corporation’s option, in whole or in part, at par plus accrued and unpaid interest.

Subject to required regulatory approvals and in accordance with the terms and conditions of the October 2021 Indenture, ECN Capital may elect by notice from time to time (including at the time of redemption or maturity) to satisfy all or part of its interest payment obligations under the 2026 Debentures by issuing and delivering a sufficient number of freely tradeable Common Shares to the Debenture Trustee for sale (defined as the “Share Interest Payment Election” under this section) or a combination of the foregoing and cash.

Subject to any required regulatory approval and in accordance with the terms and conditions of the 2026 Debentures Indenture, ECN Capital may, at its option, upon not more than 60 and not less than 40 days’ prior notice, elect to satisfy its obligation to pay on redemption or at maturity, the principal amount of and premium, if any, on the 2026 Debentures, in whole or in part, by delivering freely tradeable Common Shares to holders of 2026 Debentures obtained by dividing the principal amount of the 2026 Debentures that are to be redeemed or repaid at maturity, as the case may be, and that are to be paid in Common Shares, by 95% of the Current Market Price (as defined in the 2026 Debentures Indenture). Any accrued interest and unpaid interest will be payable in cash (subject to the Share Interest Payment Election as described above).

2027 Debentures

On December 23, 2021, ECN Capital issued C\$60 million (\$46.9 million) aggregate principal amount of senior unsecured subordinated debentures due December 31, 2027, at a price of C\$1,000 per debenture (“2027 Debentures”), pursuant to an indenture (the “2027 Debentures Indenture”) entered into with the Debenture Trustee. The 2027 Debentures bear interest at a rate of 6.25% per annum, payable semi-annually on June 30 and December 31 of each year, with payments having commenced on June 30, 2022. The 2027 Debentures have a final maturity date of December 31, 2027.

The 2027 Debentures are not redeemable by the Corporation prior to December 31, 2024 (defined as the “First Call Date” under this section). On and after the First Call Date and prior to December 31, 2025, the 2027 Debentures will be redeemable at the Corporation’s option, in whole or in part, at a redemption price equal to 104.6875% of the principal amount of the 2027 Debentures redeemed plus accrued and unpaid interest. On and after December 31, 2025 and prior to the maturity date of December 31, 2026, the 2027 Debentures will be redeemable at the Corporation’s option, in whole or in part, at a redemption price equal to 103.125% of the principal amount of the 2027 Debentures redeemed plus accrued and unpaid interest. On and after December 31, 2026 and prior to the maturity date.

Subject to required regulatory approvals and in accordance with the terms and conditions of the December 2021 Indenture, ECN Capital may elect by notice from time to time (including at the time of redemption or maturity) to satisfy all or part of its interest payment obligations under the 2027 Debentures by issuing and delivering a sufficient number of freely tradeable Common Shares to the Debenture Trustee for sale (defined as the “Share Interest Payment Election” under this section) or a combination of the foregoing and cash.

Subject to any required regulatory approval and in accordance with the terms and conditions of the 2027 Debentures Indenture, ECN Capital may, at its option, upon not more than 60 and not less than 40 days’ prior notice, elect to satisfy its obligation to pay on redemption or at maturity, the principal amount of and premium, if any, on the 2027 Debentures, in whole or in part, by delivering freely tradeable Common Shares to holders of 2027 Debentures obtained by dividing the principal amount of the 2027 Debentures that are to be redeemed or repaid at maturity, as the case may be, and that are to be paid in Common Shares, by 95% of the Current Market Price (as defined in the 2027 Debentures Indenture). Any accrued interest and unpaid interest will be payable in cash (subject to the Share Interest Payment Election as described above).

RATINGS

The following credit rating information is being provided as it relates generally to the Corporation’s cost of capital, liquidity and operations. More specifically, credit ratings impact the Corporation’s ability to obtain short-term and long-term financing and can affect the cost of such financing. Credit ratings do not constitute a recommendation to purchase, sell or hold a particular security.

Fitch Rating

On June 14, 2023, Fitch upgraded Triad's U.S. residential primary speciality servicer rating from "RPS3" to "RPS3+" with a stable outlook. The following descriptions have been sourced from information made publicly available by Fitch.

Fitch rates residential mortgage servicers, as well as asset backed servicers, on a scale of 1 (highest rating) to 5 (lowest rating). The "R" prefix denotes residential mortgage loans. The asset class prefix is then followed by an abbreviation denoting the servicer type, with "PS" indicating a primary servicer. The final component of the rating is the rating level. Within some of the rating levels, Fitch further differentiates the rankings by appending pluses and minuses. An "RPS3+" rating is a level 3 servicer rating for servicers demonstrating proficiency in overall servicing ability.

A Fitch rating outlook is an opinion on the direction a rating is likely to move over a one-to two-year period. Ratings with stable outlooks can be raised or lowered without a prior revision to the outlook.

DBRS Rating

On October 5, 2023, Morningstar DBRS ("DBRS") confirmed ECN Capital's Long-Term Issuer Rating of "BB (high)" and preferred share rating of "Pfd-4 (high)" with respect to the Preferred Shares.

DBRS has different rating scales for corporate ratings and preferred shares. DBRS' rating approach is based on a combination of quantitative and qualitative considerations. The following descriptions have been sourced from information made publicly available by DBRS.

The DBRS corporate rating analysis begins with an evaluation of the fundamental creditworthiness of the issuer, which is reflected in an "issuer rating". Issuer ratings address the overall credit strength of the issuer, and the scale ranges from "AAA" (highest credit quality) to "D" (very highly speculative) categories. "BB" is the fifth-highest of ten DBRS categories. Unlike ratings on individual securities or classes of securities, issuer ratings are based on the entity itself and do not include consideration for security or ranking. An issuer rating of "BB (high)" means that the issuer has speculative, non-investment grade credit quality, that the issuer's capacity for the payment of financial obligations is uncertain, and that the issuer is vulnerable to future events. With the exception of the "AAA" and "D" categories, DBRS also uses "high" or "low" designations to indicate the relative standing of an issuer within a particular rating category, while the absence of either a "high" or "low" designation indicates the rating is in the middle of the category.

The DBRS preferred share rating scale is used in the Canadian securities market and is meant to give an indication of the risk that a borrower will not fulfill its full obligations in a timely manner, with respect to both dividend and principal commitments. The scale ranges from "Pfd-1" (superior credit quality) to "D" (default) and each rating category is denoted by the subcategories "high" and "low". The absence of either a "high" or "low" designation indicates the rating is in the middle of the category. "Pfd-4" is the fourth-highest of six DBRS categories. Preferred shares rated "Pfd-4 (high)" are generally speculative, where the degree of protection afforded to dividends and principal is uncertain, particularly during periods of economic adversity. Issuers with preferred shares rated Pfd-4 generally correspond with issuers with a BB category or higher reference point.

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

KBRA Rating

On December 18, 2023, Kroll Bond Rating Agency ("KBRA") downgraded ECN Capital's issuer rating to "BB+" from "BBB-" with a negative outlook.

KBRA's credit ratings are on a long-term credit rating scale that ranges from "AAA" to "D", which represents the range from highest to lowest quality of rating. A "BB" rating is the fifth-highest of KBRA's ten rating categories.

A rating of “BB+” signifies that KBRA has determined the issuer to be of low quality with moderate risk of loss due to credit-related events. Issuers and obligations in this category have fundamental weaknesses that create moderate credit risk. KBRA may append “+” or “-” modifiers to ratings in the “AA” through “CCC” range to indicate, respectively, lower and upper risk levels within the broader category. KBRA may also assign rating outlooks, which take on the following four states: “positive”, “negative”, “stable” and “developing”.

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

General

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

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

MARKET FOR SECURITIES

The following tables report the intraday high and low prices and trading volumes for each class of issued and outstanding securities of ECN Capital listed on the TSX for the periods specified.

Common Shares

The Common Shares are listed on the TSX under the trading symbol “ECN”. The following table sets forth the reported intraday high and low prices and the trading volume for the Common Shares on the TSX on a monthly basis for the periods indicated, as reported by the TSX.

<u>Month</u>	<u>High (C\$)</u>	<u>Low (C\$)</u>	<u>Volume</u>
2024			
March (1-27).....	2.82	1.60	9,248,769
February.....	2.85	2.60	3,222,901
January.....	3.10	2.69	5,345,661
2023			
December.....	3.02	2.21	8,029,382
November	2.56	1.87	15,989,727
October	2.49	1.65	5,717,245
September	2.65	2.23	6,307,992
August.....	2.89	2.43	13,473,131
July	2.845	2.55	6,596,147
June.....	3.25	2.59	10,638,511
May.....	3.31	2.37	18,324,188
April.....	3.38	2.71	16,457,843
March.....	3.655	2.34	6,1345,614
February.....	3.345	2.64	29,523,358
January.....	3.085	2.57	21,291,779

Series C Shares

The Series C Shares are listed on the TSX under the trading symbol “ECN.PR.C”. The following table sets forth the reported intraday high and low prices and the trading volume for the Series C Shares on the TSX for the periods indicated, as reported by the TSX.

<u>Month</u>	<u>High (C\$)</u>	<u>Low (C\$)</u>	<u>Volume</u>
2024			
March (1-27).....	18.10	14.94	52,898
February.....	18.55	17.60	16,345
January.....	18.95	15.74	21,221
2023			
December.....	17.20	15.35	58,636
November	16.56	13.00	79,412
October	17.20	13.00	84,696
September	19.20	16.50	53,755
August.....	18.25	17.50	75,658
July	19.38	18.00	79,897
June.....	20.75	19.00	18,155
May.....	21.74	20.05	37,150
April.....	22.30	21.29	20,385
March.....	23.45	21.15	92,608
February.....	23.75	23.30	13,172
January.....	23.75	22.91	41,378

2025 Debentures

The 2025 Debentures were first listed on the TSX on September 4, 2020, under the trading symbol “ECN.DB”. The following table sets forth the reported intraday high and low prices and the trading volume for the 2025 Debentures on the TSX for the periods indicated, as reported by the TSX.

<u>Month</u>	<u>High (C\$)</u>	<u>Low (C\$)</u>	<u>Volume</u>
2024			
March (1-27).....	88.90	80.00	5,390
February.....	87.10	85.51	3,470
January.....	88.90	81.50	2,070
2023			
December.....	81.10	77.50	17,490
November	85.00	76.00	5,410
October	85.00	75.61	7,610
September	92.19	88.10	3,910
August	91.50	76.25	7,940
July	86.00	76.20	8,080
June.....	86.00	83.01	3,005
May.....	86.00	80.00	6,030
April	90.00	86.30	3,000
March	95.00	82.01	7,220
February.....	95.00	93.09	3,830
January.....	96.19	92.06	6,380

2026 Debentures

The 2026 Debentures are listed on the TSX under the trading symbol “ECN.DB.A” and began trading on the

TSX on October 28, 2021. The following table sets forth the reported intraday high and low prices and the trading volume for the 2026 Debentures on the TSX for the periods indicated, as reported by the TSX.

<u>Month</u>	<u>High (C\$)</u>	<u>Low (C\$)</u>	<u>Volume</u>
2024			
March (1-27).....	85.25	76.01	6,677
February.....	85.00	82.00	3,390
January.....	87.50	79.00	9,490
2023			
December.....	82.65	78.00	15,365
November	84.10	77.41	6,680
October	84.00	65.00	9,360
September.....	83.00	78.00	8,480
August	82.00	75.00	8,150
July	83.50	76.10	7,316
June.....	83.75	78.65	15,910
May.....	81.50	78.00	8,020
April	85.89	78.00	8,020
March	92.00	74.01	7,260
February.....	93.00	84.02	3,400
January.....	90.00	84.01	4,420

2027 Debentures

The 2027 Debentures are listed on the under the trading symbol “ECN.DB.B” and began trading on the TSX on December 23, 2021. The following table sets forth the reported intraday high and low prices and the trading volume for the 2027 Debentures on the TSX for the periods indicated, as reported by the TSX.

<u>Month</u>	<u>High (C\$)</u>	<u>Low (C\$)</u>	<u>Volume</u>
2024			
March (1-27).....	80.00	70.00	4,680
February.....	85.00	75.00	2,320
January.....	85.00	72.00	2,740
2023			
December.....	78.00	68.99	11,620
November	70.00	60.50	9,670
October	69.98	60.00	6,110
September.....	77.96	67.00	4,920
August	77.98	65.00	11,570
July	76.00	64.00	10,630
June.....	76.00	72.75	5,490
May.....	78.99	72.55	2,980
April	76.00	70.00	2,090
March	88.00	62.01	9,580
February.....	90.00	86.55	1,570
January.....	89.99	85.00	3,230

DIRECTORS AND EXECUTIVE OFFICERS

The following table sets forth the full name, province or state and country of residence and principal occupations for each director of the Corporation as of the date hereof. Each director is elected at the annual meeting of shareholders or appointed pursuant to the provisions of the Corporation’s by-laws and applicable laws to serve until the next annual meeting or until a successor is elected or appointed, subject to earlier resignation by the director.

Directors

Name and Province/State and Country of Residence	Director Since	Principal Occupation
William Lovatt ^{(1), (2), (3)} Winnipeg, Manitoba, Canada	2016	Chairman of the Board; Chairman of the board of directors of Element Fleet Management Corp. (“EFN”) from March 2015 to October 2016; former Executive Vice-President and Chief Financial Officer of Great-West Lifeco Inc., The Great-West Life Assurance Company, London Life Insurance Company and The Canada Life Assurance Company from 1997 to 2015 (overall, a 35-year career with Great-West Life).
Steven Hudson ^{(3), (7)} Palm Beach, Florida, U.S.A.	2016	Chief Executive Officer of ECN Capital since October 2016; Chief Executive Officer of EFN from March 2011 to October 2016; previously Chief Executive Officer of Cameron Capital Corporation from 2005 to 2010; founder and former CEO of Newcourt Credit Group Inc.
Carol Goldman ⁽²⁾ Des Peres, Missouri, U.S.A.	2017	Director of Youth-In-Need and The Sheldon Concert Hall; former Executive Vice President and Chief Administrative Officer of Centene Corporation (retired); previously held senior positions at Mallinckrodt Inc. until August 2001.
Tawn Kelley ⁽³⁾ Winter Park, Florida, U.S.A.	2023	Executive Vice President at Taylor Morrison Home Corporation (NYSE: TMHC); President of Mortgage Funding Direct Ventures & Taylor Morrison Home Funding; Chief Executive Officer of Inspired Title Services; Chair of Board of Advisory at Neal Communities Funding and Mattamy Home Funding; director at Skyline Champion (NYSE: SKY) and Mortgage Bankers Association National Board (“MBA”); member of the MBA Residential Board of Governors, Affordable Home Ownership Advisory Counsel and Investment Committee; previously independent chair of the board of directors at STORE Capital Corporation
Karen Martin ⁽¹⁾ Toronto, Ontario, Canada	2019	Director of Propel Holdings Inc. and Real Matters Inc; former Executive Vice President and Treasurer of EFN from 2012 until 2019; previously held executive management, treasury and finance positions in public and private financial services companies, including Xceed Mortgage Corporation, Canadian Imperial Bank of Commerce and Northwest Healthcare Properties REIT (TSX: NWH.UN).
David Morris ^{(1), (3), (4), (6)} Beaconsfield, Québec, Canada	2016	Former partner at Deloitte & Touche LLP, an international accounting firm, after serving over 41 years with the firm (retired).
Paul Stoyan ^{(2), (5)} Toronto, Ontario, Canada	2016	Chairman of Gardiner Roberts LLP, a Canadian law firm; board member at Enghouse Systems Limited; Former director of Open Text Corporation; Former director of National Ballet School of Canada and Canadian Centre for Ethics and Corporate Policy; Former Chair of the Business Law Section, Ontario Bar Association.

Notes:

(1) Member of the Audit Committee.

(2) Member of the Compensation and Corporate Governance Committee.

(3) Member of the Credit and Risk Committee.

(4) Chair of the Audit Committee.

(5) Chair of the Compensation and Corporate Governance Committee.

(6) Chair of the Credit and Risk Committee.

(7) 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.

Executive Officers of the Corporation

Name and Province/State and Country of Residence	Principal Occupation
Steven Hudson Palm Beach, Florida, U.S.A.	Chief Executive Officer of ECN Capital since October 2016; previously Chief Executive Officer of EFN from March 2011 to October 2016; previously Chief Executive Officer of Cameron Capital Corporation from 2005 to 2010; founder and former CEO of Newcourt Credit Group Inc.
Michael Lepore ⁽¹⁾ Palm Beach Gardens, Florida, U.S.A.	Chief Financial Officer of ECN Capital since March 2019; previously Senior Vice President, Controller at ECN Capital; prior to joining ECN Capital, Senior Vice President, Finance of Maple Leaf Sports and Entertainment, and senior level finance positions at large Canadian public companies, including Barrick Gold Corporation and Rockwater Capital Management.
Jacqueline Weber ⁽¹⁾ West Palm Beach, Florida, U.S.A.	Vice President, Controller at ECN Capital since August 2021; previously Assistant Controller at ECN Capital from June 2019 to August 2021; prior to joining ECN Capital, Senior Manager, Finance & SEC Reporting at Dycom Industries, Inc. (NYSE: DY) from September 2017 to June 2019.
Algis Vaitonis Delray Beach, Florida, U.S.A.	Chief Credit Officer of ECN Capital since March 2019; previously Senior Vice President, Rail & Aviation Finance at ECN Capital and, prior to that, Vice President, Special Accounts at ECN Capital; prior to joining ECN Capital, SVP & Chief Credit officer at CIT Canada and Principal at Third Eye Capital Corporation.
John Wimsatt ⁽²⁾ Naples, Florida, U.S.A.	Chief Investment Officer of ECN Capital since 2022; previously Head of Corporate Development and Investor Relations at ECN Capital. Joined ECN Capital in 2016. Previously spent more than 20 years as a principal investor across debt and equity securities with a focus on the North American financial services industry. Has previously acted as Managing Director and Portfolio Manager with Franklin Mutual Advisors, KBW Asset Management and Nomura Asset Management and as a Senior Securities Analyst with Levin Capital Strategies and FBR Asset Management. Began career as an investment research analyst with Friedman, Billings, Ramsey & Co. focused on North American banks and consumer and commercial finance companies.
John Menard West Palm Beach, Florida, U.S.A.	Chief Risk Officer and Senior Vice President, Enterprise Risk at ECN Capital since March 2023; previously, Chief Technology Officer at ECN Capital from March 2022 to March 2023; prior to joining ECN Capital, Detective (Staff) Sergeant at Toronto Police Service from November 2018 to March 2022 and employed at the Toronto Police Service in various positions since June 1998.
Christopher Johnson West Palm Beach, Florida, U.S.A.	Senior Vice President and Head of Capital Markets of ECN Capital since 2024; previously Senior Vice President and Head of Capital Markets at LendingPoint and, prior to that, Managing Director of TGP Securities, Inc., Managing Member of Johnson Advisors LLC and Founder, Managing Partner and Chief Executive Officer of Finitive LLC; previously a board member at Sustainability Partners LLC.

Notes:

- (1) Effective March 31, 2024, Michael Lepore will resign from his position as Chief Financial Officer and will be succeeded by Jacqueline Weber effective April 1, 2024.
- (2) Effective March 31, 2024, John Wimsatt will resign from his position as Chief Investment Officer.

Voting Securities

As at March 27, 2024, the directors and officers of ECN Capital as a group owned, or controlled or directed, directly or indirectly 19,808,773 Common Shares, representing approximately 7.08% of the issued and outstanding Common Shares as of that date.

Conflicts of Interest

Certain directors and executive officers of ECN Capital are officers and directors of, or are associated with, other public and private companies. Such associations may give rise to conflicts of interest with ECN Capital from time to time. The OBCA requires, among other things, that the directors and executive officers of ECN Capital act honestly and in good faith with a view to the best interest of ECN Capital, to disclose any personal interest which they may have in any material contract or transaction which is proposed to be entered into with ECN Capital and, in the case of directors, to abstain from voting as a director for the approval of any such contract or transaction. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the OBCA.

As at the date hereof, the Corporation is not aware of any existing or potential material conflicts of interest between the Corporation and a director or officer of the Corporation.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

To the knowledge of ECN Capital, except as otherwise disclosed elsewhere in this Annual Information Form, no director or executive officer of ECN Capital and no person or company that beneficially owns, controls or directs, directly or indirectly, more than 10% of the outstanding securities ECN Capital and no associate or affiliate of any of the foregoing persons or companies, has or has had any material interest, direct or indirect, in any transaction within its three most recently completed financial years that has materially affected or is expected to materially affect ECN Capital or its subsidiaries.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

In the ordinary course of business, ECN Capital and certain of its subsidiaries are party to legal proceedings, including as plaintiffs in routine legal actions. ECN Capital believes that each such proceeding constitutes a routine legal matter incidental to the businesses conducted by ECN Capital or its subsidiaries. Although ECN Capital cannot determine the ultimate outcome of any outstanding claims, based on its current knowledge, ECN Capital does not expect that the ultimate disposition of any of these proceedings will have a material adverse effect on its consolidated earnings, cash flow or financial position.

During the financial year ended December 31, 2023: (a) there have been no penalties or sanctions imposed against ECN Capital by a court relating to securities legislation or by a securities regulatory authority; (b) there have been no other penalties or sanctions imposed by a court or regulatory body against ECN Capital that would likely be considered important to a reasonable investor in making an investment decision; and (c) ECN Capital has not entered into any settlement agreements before a court relating to securities legislation or with a securities regulatory authority.

TRANSFER AGENT, REGISTRAR AND DEBENTURE TRUSTEE

The Common Shares and Preferred Shares are transferable at the principal offices of the Corporation's transfer agent, registrar and dividend disbursing agent, Computershare Investor Services Inc. in Toronto, Ontario.

Computershare Trust Company of Canada, at its principal office in Toronto, Ontario, is the debenture trustee for the 2025 Debentures, 2026 Debentures and 2027 Debentures.

INTEREST OF EXPERTS

Ernst & Young LLP is ECN Capital's external auditor. Ernst & Young LLP has advised that it is independent with respect to ECN Capital within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

AUDIT COMMITTEE INFORMATION

The audit committee of the Board (the "Audit Committee") is responsible for overseeing the accounting and financial reporting practices of the Corporation, the audits of the Corporation's financial statements, establishing and overseeing of any internal audit function and exercising the responsibilities and duties set out in the mandate of the Audit Committee. The members of the Audit Committee are David Morris (Chair), William Lovatt and Karen Martin. Each member of the Audit Committee is independent (as defined in National Instrument 52-110 – *Audit Committees* ("NI 52-110")) and no member of the Audit Committee receives, directly or indirectly, any compensation from ECN Capital other than for service as a member of the Board and its committees. All members of the Audit Committee are financially literate (as defined under NI 52-110). The full text of the mandate of the Audit Committee is attached as Appendix "A" to this Annual Information Form.

Composition of the Audit Committee

In addition to each member's general business experience, the education and experience of each Audit Committee member that is relevant to the performance of his or her responsibilities as an Audit Committee member is as follows:

David Morris

Mr. Morris retired as a senior audit partner at Deloitte LLP after serving over forty-one years with the firm and was appointed to ECN Capital's Board in October 2016. He 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.

William Lovatt

Mr. Lovatt brings with him forty 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 is the Chairman and a member of the Board and serves as a member of the Audit Committee, the Compensation and Corporate Governance Committee and the Credit and Risk Committee of the Board. Mr. Lovatt previously served as Chairman of the board of directors of EFN. He 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.

Karen Martin

Karen Martin was appointed to ECN Capital's Board in August 2019. Prior to joining ECN Capital's Board, Ms. Martin was Executive Vice President & Treasurer of EFN since 2012. Ms. Martin was responsible for the balance sheet and risk management, funding strategy, treasury operations, acquisition financing and related strategic initiatives on the business, engineering and implementing highly complex debt and capital structures. Ms. Martin has served in

executive management, treasury and finance positions in public and private financial services companies for over 25 years, including Xceed Mortgage and Canadian Imperial Bank of Commerce.

Pre-Approval Policies and Procedures

The Audit Committee adopted requirements regarding pre-approval of non-audit services as part of its Audit Committee Mandate. The Audit Committee Mandate requires that the Audit Committee must approve in advance any retainer of the auditors to perform any non-audit service for ECN Capital (together with all non-audit service fees) that it deems advisable in accordance with applicable requirements and Board-approved policies and procedures. The Audit Committee must consider the impact of such service and fees on the independence of the auditor. The Audit Committee may delegate pre-approval authority to a member of the Audit Committee; however, the decisions of any member of the Audit Committee to whom this authority has been delegated must be presented to the full Audit Committee at its next scheduled Audit Committee meeting.

Audit Fees

Ernst & Young LLP serves as the Corporation's auditing firm. Fees payable by ECN Capital for the fiscal years ended December 31, 2023 and December 31, 2022 to Ernst & Young LLP and its affiliates were approximately \$2.3 million and \$1.9 million, respectively, as follows:

	2023 (\$)	2022 (\$)
Audit Fees	1,394,000	1,522,000
Audit-Related Fees	811,945	70,000
Tax Fees	81,174	300,000
Other Fees	Nil	Nil
TOTAL	2,287,119	1,892,000

The nature of each category of fees is described below.

Audit Fees

Audit fees were paid for professional services rendered by the auditor in connection with the audit of ECN Capital's annual financial statements for the years ended December 31, 2023 and December 31, 2022. In addition, audit fees were paid for services provided in connection with translation services and statutory and regulatory filings.

Audit-Related Fees

Audit-related fees were paid for services that are reasonably related to the performance of the audit or review of ECN Capital's financial statements and are not reported under the audit fee items above. Audit-related fees in 2023 and in 2022 related to accounting and due diligence work on various matters.

Tax Fees

Tax fees were paid for tax compliance, including assistance with the completion of tax schedules and calculations, as well as research and advisory work on various corporate tax matters.

MATERIAL CONTRACTS

Except for those contracts entered into in the ordinary course of business, the only material contracts ECN Capital entered into within the most recently completed financial year, or prior to the most recently completed financial year which are still in effect, are the Subscription Agreement and the Investor Rights Agreement. Copies of the Subscription Agreement and Investor Rights Agreement are available under ECN Capital's profile on SEDAR+ at www.sedarplus.com.

Investor Rights Agreement

On closing of the Skyline Private Placement, ECN Capital and Skyline Champion entered into the Investor Rights Agreement.

Board Representation

The Investor Rights Agreement provides that, for so long as Skyline Champion beneficially owns at least 10% of the outstanding Common Shares of ECN Capital (on a non-diluted basis, but assuming the conversion of all Series E Shares into Common Shares) (i) Skyline Champion will have the right to designate one nominee for election or appointment to the Board (the "Investor Nominee"); and (ii) the number of directors on the Board shall not be increased to more than seven without the consent of Skyline Champion. The Investor Nominee will be a member of the Credit and Risk Committee of the Board. On closing of the Skyline Private Placement, ECN Capital appointed Tawn Kelley to the Board as the Investor Nominee.

Unanimous Board Approval

Pursuant to the Investor Rights Agreement, ECN Capital agreed that, for a two-year period from closing of the Skyline Private Placement (the "Restricted Period"), unanimous approval of the Board is required in order to market the sale of Triad, pursue any material acquisitions or dispositions outside of the ordinary course (subject to certain agreed upon dispositions) or pay any dividends in excess of ECN Capital's current quarterly dividends on its Common Shares and Preferred Shares outstanding at the time of closing of the Skyline Private Placement.

Voting Support

Pursuant to the Investor Rights Agreement, Skyline Champion is obligated to vote any Common Shares and Series E Shares in favour of or abstain from voting in respect of regular business to be transacted at annual meetings of shareholders of the Corporation during the Restricted Period.

Pre-Emptive Rights and Top-Up Rights

During the Restricted Period, Skyline Champion shall have a pre-emptive right (the "Pre-Emptive Right") to participate in future offerings of Common Shares or securities convertible into Common Shares (subject to customary exceptions) in order to maintain its pro rata ownership interest in the Corporation.

For so long as Skyline Champion beneficially owns at least 10% of the outstanding Common Shares of the Corporation (on a non-diluted basis, but assuming the conversion of all Series E Shares into Common Shares), the Investor Rights Agreement provides Skyline Champion with customary top-up rights to subscribe for Common Shares in order to maintain its pro rata ownership interest in the Corporation in the event of dilution following certain issuances of Common Shares that are exempt from the Pre-Emptive Right (the "Top-Up Right").

Registration Rights

The Investor Rights Agreement provides Skyline Champion with customary piggy-back registration rights permitting Skyline Champion to require ECN Capital to include Common Shares held by Skyline Champion in any proposed distribution of Common Shares in Canada and/or the U.S. by the Corporation for its own account, subject to certain limitations.

Right to Match

If an unsolicited offer is made to acquire ECN Capital or Triad during the Restricted Period pursuant to which ECN Capital has negotiated a form of definitive agreement that the Board has, in good faith, determined that it would be prepared to approve (the “Triggering Proposal”), Skyline Champion will have a right to match the Triggering Proposal (the “Right to Match”) before ECN Capital enters into a definitive agreement in respect of the Triggering Proposal. In the event Skyline Champion exercises its Right to Match, ECN Capital will negotiate in good faith with Skyline Champion to enter into a definitive agreement with Skyline Champion in respect of its matching proposal. Any such transaction with Skyline Champion would remain subject to approval by shareholders in accordance with applicable corporate and securities laws.

In the event Skyline Champion does not exercise its Right to Match, for so long as the definitive agreement resulting from any Triggering Proposal remains in effect and is supported by the Board, Skyline Champion shall be obligated to vote its Common Shares and Series E Shares in favour of such transaction or abstain from voting such shares or tender its Common Shares or Series E Shares to such offer, as applicable.

Restrictions on Transfer

Pursuant to the Investor Rights Agreement, Skyline Champion agrees not to transfer any Series E Shares except to affiliates of Skyline Champion and certain other permitted transferees in accordance with the terms of the Investor Rights Agreement.

Additionally, during the Restricted Period, Skyline Champion agrees not to transfer any Common Shares except to affiliates of Skyline Champion and certain other permitted transferees in accordance with the terms of the Investor Rights Agreement.

Standstill

Pursuant to the Investor Rights Agreement, during the Restricted Period, Skyline Champion shall agree not to, and to cause each of its affiliates not to, without the prior written consent of the Board (subject to certain exceptions, including in respect of the exercise of Skyline Champion’s Right to Match, Pre-Emptive Right and Top-Up Right): (i) acquire, or propose to acquire, additional Common Shares, securities or assets of ECN Capital; (ii) solicit proxies to vote or seek to influence any other person with respect to the voting of any securities of ECN Capital; (iii) otherwise act, alone or jointly or in concert with others, to seek to control or influence the management, Board or policies of ECN Capital or its affiliates; (iv) take actions that question the validity or effectiveness of any shareholder rights plan, rights agreement or any other “poison pill” or other antitakeover arrangement of ECN Capital; (v) have any discussions or enter into any arrangements, understandings or agreements with, or advise, finance, aid, assist, encourage or act in concert with, any other person in connection with any of the foregoing; or (vi) make any public announcement with respect to the foregoing, except as may be required by applicable law, regulatory authorities or stock exchanges.

The foregoing restrictions will terminate upon a public announcement by ECN Capital that it has agreed to a change of control transaction or upon the commencement or public announcement of a *bona fide* take-over bid for the Common Shares of a third party.

Restriction on Private Placements to Competitors

Pursuant to the Investor Rights Agreement, ECN Capital agrees that, during the Restricted Period, without the prior written consent of Skyline Champion, ECN Capital will not knowingly issue or offer to issue any Common Shares or securities convertible into Common Shares to a competitor of Skyline Champion by way of private placement or other directly negotiated transaction.

Termination

The Investor Rights Agreement will terminate automatically on the earliest of: (i) the date on which, following the end of the Restricted Period, Skyline Champion beneficially owns less than 10% of the outstanding Common Shares (on a non-diluted basis, but assuming conversion of all Series E Shares); (ii) the Investor Rights

Agreement is terminated by written agreement of the parties; or (iii) the dissolution or liquidation of ECN Capital. Certain provisions will survive the termination of the Investor Rights Agreement.

RISK FACTORS

An investment in the securities of ECN Capital involves significant risks. Investors should carefully consider the risks described below before deciding to purchase ECN Capital's securities. If any of the following or other risks occurs, ECN Capital's businesses, prospects, financial condition, results of operations and cash flows could be materially adversely impacted. In addition, a discussion of risks affecting ECN Capital and its businesses appears under the heading "*Risk Management*" in the management's discussion and analysis of the Corporation's financial condition and results of operation for the year ended December 31, 2023 (the "2023 MD&A"), which discussions are incorporated by reference herein.

Risks Relating to ECN Capital's Business

Global financial markets and general economic conditions may adversely affect ECN Capital's results

ECN Capital is exposed to local, regional, national and international economic conditions and other events and occurrences beyond its control, including, but not limited to, the following: credit and capital market volatility, business investment levels, government spending levels, consumer spending levels, changes in laws, rules or regulations, trade barriers, commodity prices, currency exchange rates and controls, national and international political circumstances (including wars, terrorist acts or security operations), changes in interest rates, inflation rates, the rate and direction of economic growth, and general economic uncertainty. Unfavourable economic conditions could affect the jurisdictions in which ECN Capital owns assets and operates businesses, and may cause a reduction in: (a) securities prices, (b) the liquidity of investments made by ECN Capital, (c) the value or performance of the investments made by ECN Capital, and (d) the ability of ECN Capital to raise or deploy capital, each of which could adversely impact ECN Capital's financial condition. In addition, global financial conditions can be volatile and financial markets have historically at times experienced significant price and volume fluctuations and volatility that have particularly affected the market prices of equity and other securities of companies and that have often been unrelated to the operating performance, underlying business and/or asset values or prospects of such companies.

The current general economic conditions, including elevated inflation and interest rates, may result in downward pressure on ECN Capital's operating margins and asset values as a result of lower demand and increased price competition for the services and products that ECN Capital provides. In addition, global conflicts, including the conflicts between Russia and the Ukraine and Israel and Hamas, and any restrictive actions that are or may be taken by the U.S. or Canada, and other countries in response thereto, such as sanctions or export controls, could have potential negative implications to the financial markets and the economy or consumer sentiments generally. Our portfolio companies' businesses are focused on originating consumer loans in the manufactured housing and RV & Marine finance industries. As a result, our business is concentrated in the consumer lending segment which may carry a higher risk relating to the consumer lending space which is different from risks associated with commercial lending and which could be adversely affected by an economic downturn, inflationary pressures and higher interest rate environments. As a result, we are more susceptible to fluctuations and risks particular to consumer credit and spending patterns than a more diversified company would be. Our portfolio companies' businesses are sensitive to macroeconomic conditions that affect the U.S. economy, consumer spending and consumer credit, including for example, the impacts of inflation, which has had and could continue to have an adverse effect on consumer spending, an elevated interest rate environment, as well as the impact that geopolitical responses to Russia's invasion of Ukraine have had on gasoline prices in the U.S. Our business concentration could have a material adverse effect on our results of operations. By its nature, businesses related to consumer lending and loan originations carries with it different risks. Although the net interest margins are intended to be higher to compensate the Corporation for this increased risk, an economic downturn could result in higher loss rates and lower returns than expected and could affect the profitability of the consumer loan portfolios ECN Capital offers to its Partners. During periods of economic slowdown, delinquencies, defaults, repossessions, and losses generally increase, and consumers may reduce their discretionary spending in areas such as marine and RVs or delay or decline to purchase a home, which comprise the significant focuses of ECN Capital's two scalable segments' businesses. These periods have been, and may continue to be, accompanied by increasing unemployment rates and declining values of consumer products securing outstanding

loans, which weaken collateral coverage and increase the amount of a loss in the event of default. ECN Capital's investment performance could suffer, resulting in, decreased cash flow from operations, which could materially adversely affect ECN Capital's liquidity position and the amount of cash it has on hand to conduct its operations. A reduction in ECN Capital's cash flow from operations could, in turn, require ECN Capital to rely on other sources of capital (such as the capital markets which may not be available to ECN Capital on acceptable terms, or debt and other forms of capital). Adverse economic conditions also may decrease the estimated value of the collateral securing some of ECN Capital's loans. Further or prolonged economic slowdowns or recessions could lead to financial losses in ECN Capital's portfolio and a decrease in ECN Capital's net finance income, net income and book value. Global conflicts could lead to heightened volatility in the global markets and increase inflation. Any of these events, or any other events caused by turmoil in world financial markets, may have a material adverse effect on ECN Capital's businesses, operating results, and financial condition.

Market events and conditions, including the disruptions in the international credit markets and other financial systems, along with falling currency prices expressed in U.S. dollars, can result in commodity prices remaining volatile. These conditions can cause a loss of confidence in global credit markets resulting in the collapse of, and government intervention in, major banks, financial institutions, and insurers, creating a climate of greater volatility, tighter regulations, less liquidity, widening credit spreads, less price transparency, increase credit losses and tighter credit conditions. Moreover, a reduction in credit, combined with reduced economic activity, may materially adversely affect businesses and industries that collectively constitute a significant portion of ECN Capital's customer base and may make it more difficult for ECN Capital to maintain new business origination and the credit quality of new business at the levels currently forecasted. As a result, these customers may need to reduce their purchases and reliance on ECN Capital's services, or ECN Capital may experience greater difficulty in receiving payment for its services. Delinquencies, non-accruals and credit losses generally increase during economic slowdowns or recessions. Therefore, to the extent that economic and business conditions are unfavourable, ECN Capital's non-performing assets may become elevated and the value of ECN Capital's portfolio may decrease.

Catastrophic events, natural disasters, severe weather and disease

ECN Capital's business may be negatively impacted to varying degrees by a number of events that are beyond its control, including cyber-attacks, unauthorized access, energy blackouts, the emergence or continuation of widespread health emergencies or pandemics, terrorist attacks, acts of war, earthquakes, hurricanes, tornados, fires, floods, ice storms or other natural or manmade catastrophes. While the Corporation engages in emergency preparedness, including business continuity planning, to mitigate risks, such events can evolve very rapidly and their impacts can be difficult to predict. As such, there can be no assurance that in the event of such a catastrophe that ECN Capital's operations and ability to carry on business will not be disrupted. The occurrence of such events may not release the Corporation from performing its obligations to third parties. A catastrophic event, including an outbreak of infectious disease, a pandemic or a similar health threat, such as the novel coronavirus (COVID-19) outbreak, or fear of any of the foregoing, will adversely impact the Corporation. In addition, liquidity and volatility, credit availability and market and financial conditions generally could change at any time as a result. Any of these events in isolation or in combination, could have a material negative impact on ECN Capital's financial condition, operating results and cash flows.

Lack of funding and/or insufficient funding commitments from Partners may limit ECN Capital's ability to operate and/or generate returns

ECN Capital employs debt and other forms of financial leverage in the ordinary course of business to enhance returns and finance operations. It also is dependent on commitments from its Partners to purchase the loans that its operating segments originate. ECN Capital attempts to match the profile of the funding of its assets to the profile of the associated assets and, therefore, is subject (or can subject its Partners) to the risks associated with debt financing and refinancing, including but not limited to the following: (a) ECN Capital's cash flow may be insufficient to meet required payments of principal and interest; (b) payments of principal and interest on borrowings may leave ECN Capital with insufficient cash resources to pay operating expenses; (c) if ECN Capital is unable to obtain committed debt financing for potential acquisitions, or can only obtain debt at an increased interest rate, or on unfavourable terms, ECN Capital may have difficulty completing acquisitions or may generate profits that are lower than would otherwise be the case; (d) ECN Capital may not be able to refinance debt at its maturity due to company and market factors such as the estimated cash flow produced by its assets, the value of its assets, liquidity in the capital markets, and/or

financial, competitive, business and other factors; (e) if ECN Capital is unable to refinance its assets in the ordinary course, the terms of a refinancing may not be as favourable as the original terms of the related indebtedness; and (f) it may experience insufficient funding commitments from its Partners to meet the requirements of its business segments that are funded by such Partners and not by ECN Capital itself. If ECN Capital is unable to refinance its indebtedness on acceptable terms, or at all, ECN Capital may need to utilize available liquidity, which would reduce its ability to pursue new investment opportunities, or may require the disposal of certain of its assets on disadvantageous terms, or raise equity, causing dilution to existing shareholders. Unforeseen regulatory changes may also result in higher borrowing costs and reduced access to credit.

A large proportion of ECN Capital's capital may be invested in physical assets and securities that can be hard to sell, especially if market conditions are poor. A lack of liquidity could limit ECN Capital's ability to timely alter the composition of its portfolios or assets in response to changing economic or investment conditions.

ECN Capital's business segments sometimes rely on commitments from Partners to purchase the loans that these segments originate. Insufficient funding commitments to meet the requirements of these business segments would have a material adverse effect on ECN Capital's ability to grow its business.

Skyline Champion has considerable influence over ECN Capital and decisions that require shareholder approval, and its interests may conflict with that of other stakeholders

As of the date hereof, Skyline Champion owns an approximately 19.9% indirect equity interest in ECN Capital (assuming conversion of all of its Series E Shares) and has the right to designate one nominee for election or appointment to the Board. Furthermore, pursuant to the Investor Rights Agreement, ECN Capital agreed that, during the Restricted Period: (i) unanimous approval of the Board is required in order to market the sale of Triad, pursue any material acquisitions or dispositions outside of the ordinary course (subject to certain agreed upon dispositions) or pay any dividends in excess of ECN Capital's current quarterly dividends on its Common Shares and Preferred Shares outstanding at the time of closing of the Skyline Private Placement; (ii) Skyline Champion will have a right to match in connection with unsolicited offers to acquire ECN Capital or Triad; and (iii) Skyline Champion will have certain additional rights, including pre-emptive and top-up rights entitling Skyline Champion to maintain its *pro rata* beneficial ownership of the ECN Capital. Accordingly, Skyline Champion has significant influence over the business and affairs of ECN Capital and matters requiring shareholder approval which could lead to conflicts of interest, real or perceived, at the Board or management level where the interests of Skyline Champion may differ from other stakeholders. This considerable influence, especially during the Restricted Period, may have the effect of delaying, deferring or preventing a change of control of the Corporation, or impeding a merger, consolidation, takeover or other business combination involving ECN Capital, which in turn could have a material adverse effect on ECN Capital's ability to grow its business.

Inability to attract and retain employees may limit ECN Capital's ability to grow its businesses

If ECN Capital is not able to attract and retain top employees, its ability to compete may be harmed. ECN Capital's success is highly dependent on its continuing ability to identify, hire, train, retain and motivate highly-qualified management, technical, sales and marketing personnel. In order to grow ECN Capital's businesses, ECN Capital must attract and retain qualified personnel, especially origination and credit personnel, with relationships with referral sources and an understanding of the Corporation's businesses and the industries in which ECN Capital's borrowers, lessees and other counterparties operate. In addition, in ECN Capital's effort to attract and retain critical personnel, ECN Capital may experience increased compensation costs that are not offset by either improved productivity or higher prices for ECN Capital's services.

Many of the financial institutions that ECN Capital competes with for experienced personnel may be able to offer more attractive terms of employment. If any of ECN Capital's key origination personnel leave, ECN Capital's new financial asset origination volume from their business contacts may decline or cease. In addition, ECN Capital invests significant time and expense in training its employees, which increases their value to competitors who may seek to recruit them and increases the costs of replacing them. These factors may have a material adverse effect on ECN Capital's ability to grow its businesses.

Loss of key personnel may significantly harm ECN Capital's businesses

ECN Capital's performance is substantially dependent on the performance of its executive officers and key employees, including those referred to under the heading "Directors and Executive Officers" in this Annual Information Form and the senior executives and operational personnel at each of its three operating companies. The loss of the services of any of ECN Capital's executive officers or other key employees could significantly harm ECN Capital's businesses. ECN Capital provides a competitive compensation package, which includes profit sharing and medical benefits as it continuously seeks to align the interest of employees and shareholders.

A competitive business environment may limit the growth of ECN Capital's businesses

ECN Capital's market segments are highly competitive and characterized by competitive factors that vary based upon product and geographic region. ECN Capital competes with a wide variety of competitors that include leasing companies, captive finance companies owned by manufacturers and distributors, banks, brokers, and other financial asset origination and management companies.

ECN Capital's funding facilities may limit ECN Capital's operation flexibility

ECN Capital's funding arrangements, including the Senior Credit Facility, contain financial and non-financial covenants such as minimum shareholders' equity requirements, debt coverage, interest coverage ratios, and change of control provisions in relation to ECN Capital. Such covenants could limit ECN Capital's ability to pursue future business opportunities and any non-compliance could give rise to an acceleration of related indebtedness, which in turn could have a material adverse effect on ECN Capital's businesses.

From time to time, ECN Capital may seek to increase its available sources of capital for various corporate purposes including to fund the future growth of ECN Capital's businesses. Since ECN Capital's financing facilities are generally collateralized and serviced by corresponding pools of income earning assets, any underperformance of such assets may result in reduced availabilities or early repayment requirements under such facilities. In such circumstances, ECN Capital would require alternative or replacement sources of capital and, if applicable, could result in ECN Capital using other available sources of capital to satisfy debt service obligations. A reduction in the availability of capital could reduce or delay ECN Capital's planned capital expenditures, or could require ECN Capital to dispose of assets, issue additional equity, incur additional debt or restructure existing debt, in each case on potentially disadvantageous terms and conditions and subject to prevailing market conditions at the relevant time. Accordingly, a loss of available funding could have a material adverse effect on ECN Capital's businesses, financial condition and results of operations.

ECN Capital is susceptible to liquidity risk

Liquidity risk is the risk that ECN Capital will not generate sufficient cash or cash equivalents in a timely and cost-effective manner to satisfy its financial obligations as they come due. Growth in ECN Capital's portfolio requires ongoing availability of capital, in various forms, sufficient to accommodate projected growth objectives.

Inability to realize benefits from growth and through acquisitions may harm ECN Capital's financial condition

ECN Capital's inability to realize the potential benefits from its growth strategy and from the integration of its acquisitions may adversely impact ECN Capital's operating results. ECN Capital's ability to realize such benefits is based on its management of growth and its integration of acquisitions and requires ECN Capital to continue to build its operational, financial and management controls, human resource policies, and reporting systems and procedures. ECN Capital's ability to manage its growth and integrate acquisitions depends in large part upon a number of factors, including the ability of ECN Capital to:

- expand ECN Capital's internal operational and financial controls significantly, so that it can maintain control over operations and provide support to other functional areas as the number of personnel and size of its businesses increase;

- attract and retain qualified personnel in order to continue to develop ECN Capital's origination platforms and provide services that respond to evolving customer and other counterparty needs;
- develop support capacity for customers as sales increase, so that ECN Capital can provide post-sale support without diverting resources from origination efforts;
- secure additional sources of capital to undertake strategic acquisitions, while implementing a continuously-prudent capital structure for ECN Capital; and
- expand its network of vendor relationships to create an enhanced presence in the evolving marketplace for ECN Capital's services.

ECN Capital's inability to achieve any of these objectives could harm its businesses, financial condition and/or results of operations.

Complications in managing acquisitions may negatively affect ECN Capital's operating results

ECN Capital intends to seek opportunities to acquire or invest in businesses that could expand, complement or otherwise relate to its existing business segments. ECN Capital may also consider, from time to time, opportunities to engage in joint ventures or other business collaborations with third-parties to address particular market segments. These activities create risks such as: (a) the need to integrate and manage the businesses, operations, services, personnel and systems acquired with ECN Capital's own businesses; (b) additional demands on ECN Capital's resources, systems, procedures and controls; (c) disruption of ECN Capital's on-going businesses; (d) diversion of management's attention from other business concerns; and (e) potential for additional regulatory scrutiny.

Moreover, these transactions could involve: (a) substantial investment of funds or financings requiring the incurrence of debt or issuance of equity securities; (b) substantial investment with respect to technology transfers and operational integration; and (c) the acquisition or disposition of businesses. Also, such activities could result in one-time charges and expenses and have the potential either to dilute the interests of shareholders, or result in the incurrence, or assumption, of debt. Such acquisitions, investments, joint ventures or other business collaborations may involve significant commitments of ECN Capital's financial and other resources. Any such activity may not be successful in generating revenue, income or other returns to ECN Capital, and the resources committed to such activities will not be available to ECN Capital for other purposes. Moreover, if ECN Capital is unable to access capital markets on acceptable terms, or at all, ECN Capital may not be able to consummate acquisitions, or may have to do so on the basis of a less than optimal capital structure.

ECN Capital's inability to take advantage of growth opportunities for its businesses (including the timely redeployment of capital following the realization of proceeds from the sale of assets) or to address risks associated with acquisitions or investments in businesses may negatively affect ECN Capital's operating results. Additionally, any impairment of goodwill or other intangible assets acquired in an acquisition or in an investment, or charges to earnings associated with any acquisition or investment activity, may materially reduce ECN Capital's earnings which, in turn, may have an adverse material effect on the price of ECN Capital's securities. If ECN Capital does complete such transactions, ECN Capital cannot be sure that such transactions will ultimately strengthen the Corporation's competitive position, or that such transactions will be viewed positively by customers, other counterparties, securities analysts or investors.

The Champion Financing joint venture may not be successful in generating revenue, income or other returns to ECN Capital or realizing its intended benefits

ECN Capital's future cash flows, earnings, results of operations and financial condition will in part depend on Triad retaining its 49% ownership interest in its joint venture with Skyline Champion to form Champion Financing. In the event that Champion Financing cannot raise the necessary funds from its shareholders to fund its operations, it may need to raise additional funds through debt or equity financings. This may be dilutive to Triad's interest in Champion Financing and would adversely affect the amount of revenue Triad can derive from its interest in Champion Financing. If Champion Financing cannot obtain adequate capital to the extent required on favourable terms or at all, it may be required to scale back or entirely halt its business. Champion Financing may also involve significant

commitments of ECN Capital's financial and other resources. Any such activity may not be successful in generating revenue, income or other returns to ECN Capital, and the financial or other resources committed to such activities would not be available to ECN Capital for other purposes. Additionally, any strain on, or breakdown of, the working relationship between Triad and Skyline Champion could adversely affect the governance and operations of Champion Financing. These events in turn could have a material adverse effect on ECN Capital's business, financial condition and results of operations.

ECN Capital could be exposed to substantial tax liabilities if the tax-deferred spinoff requirements are not met

On October 3, 2016, a transaction (the "Separation Transaction") through which Element Financial Corporation ("Element") separated into ECN Capital, comprising Element's commercial finance business, and EFN, comprising Element's fleet management business, became effective. The tax treatment of the Separation Transaction is dependent on, among other things, the Separation Transaction complying with all of the requirements of the public company "butterfly reorganization" rules in section 55 of the *Income Tax Act* (Canada). Although the Separation Transaction was structured with the intent that it comply with these rules, there are certain requirements of these rules that depend on events occurring after completion of the Separation Transaction. If these requirements are not met, ECN Capital would recognize a taxable gain in respect of the Separation Transaction. If incurred, tax liabilities could be substantial and could have a material adverse effect on the financial position of ECN Capital, as applicable. No tax ruling has been requested or received from the authorities in Canada in respect of tax consequences of the Separation Transaction. In addition, if such requirements are not met due to an act or omission of ECN Capital, ECN Capital, may, in certain circumstances, be required under the arrangement agreement dated July 25, 2016, to indemnify EFN in relation to one or more aspects of the Separation Transaction.

ECN Capital's indemnification obligations to EFN following the Separation Transaction could be significant

EFN and ECN Capital each agreed to indemnify the other for certain liabilities and obligations related to, among other things, in the case of ECN Capital, the commercial finance business. These indemnification obligations could be significant. If EFN or ECN Capital has to indemnify the other for any substantial obligations, it may not be able to satisfy those obligations, and this may materially adversely affect ECN Capital's financial position.

Credit risks may lead to unexpected losses

ECN Capital's net investment in financial assets for its own account and to be held for future term funding exposes ECN Capital to credit risk. Credit risk is the risk that ECN Capital will incur an unexpected loss because its customers and counterparties fail to discharge their contractual obligations. Credit risk arises principally through ECN Capital's finance receivables that are a result of transactions within the equipment finance industry and, as such, contain an element of credit risk in the event that obligors are unable to meet the terms of their agreements. ECN Capital is exposed to credit risk as it arises from events and circumstances outside of ECN Capital's control, such as adverse economic conditions, business failure or fraud. The types of fraud to which ECN Capital is exposed generally fall into one of three primary categories: (a) vendor/dealer fraud; (b) customer fraud; and (c) employee fraud. Excessive credit losses could adversely affect ECN Capital's ability to generate and fund new financings.

In order to manage credit risk, ECN Capital operates using a clearly-identified set of policies and procedures throughout its business processes. This includes a detailed analysis of the value of applicable collateral security, the credit applicant's financial condition and ability to service the obligations at inception and throughout the term of the loan or lease. ECN Capital also manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties to financial transactions.

Credit ratings and credit risk may change

The credit ratings assigned to ECN Capital are not a comment on the market price of a security, nor are they an assessment of ownership of the Corporation's securities across various existing and prospective investors' respective objectives. There can be no assurance that any credit rating assigned to ECN Capital will remain in effect for any given period of time and ratings may be upgraded, downgraded, placed under review, confirmed or discontinued by an applicable credit ratings agency at any time. Any credit ratings assigned to ECN Capital and any

real or anticipated changes in such credit ratings may affect the market value of its securities and ECN Capital's ability to obtain short-term and long-term financing and the cost at which ECN Capital can access the capital markets.

The Corporation is subject to federal and state consumer protection laws

In connection with the origination, management, servicing and administration of credit assets, the Corporation must comply with various regulatory regimes, including those applicable to consumer credit transactions. The laws to which the Corporation is or may be subject include:

- state laws and regulations that impose requirements related to loan disclosures and terms, credit discrimination, credit reporting, money transmission, debt servicing and collection and unfair or deceptive business practices;
- the *Truth-in-Lending Act* and certain regulations thereunder, and similar state laws, which require certain disclosures to borrowers regarding the terms and conditions of their loans and credit transactions;
- Section 5 of the *Federal Trade Commission Act*, which prohibits unfair and deceptive acts or practices in or affecting commerce, and Section 1031 of the Dodd-Frank Act, which prohibits unfair, deceptive or abusive acts or practices ("UDAAP") in connection with any consumer financial product or service;
- the *Equal Credit Opportunity Act* and certain regulations thereunder, which prohibit creditors from discriminating against credit applicants on the basis of race, color, sex, age, religion, national origin, marital status, or the fact that the applicant has in good faith exercised any right under the Federal Consumer Credit Protection Act or any applicable state law;
- the *Fair Debt Collection Practices Act*, the *Telephone Consumer Protection Act*, as well as state debt collection laws, all of which provide guidelines and limitations concerning the conduct of third-party debt collectors in connection with the collection of consumer debts;
- the *Gramm-Leach-Bliley Act*, which includes limitations on disclosure of non-public personal information by financial institutions about consumers to non-affiliated third parties, in certain circumstances requires financial institutions to limit the use and further disclosure of non-public personal information by non-affiliated third parties to whom they disclose such information and requires financial institutions to disclose certain privacy policies and practices with respect to information sharing with affiliated and non-affiliated entities as well as to safeguard personal customer information, and other privacy laws and regulations;
- the *Bankruptcy Code*, which limits the extent to which creditors may seek to enforce debts against parties who have filed for bankruptcy protection;
- the *Electronic Fund Transfer Act* and certain regulations thereunder, which provide disclosure requirements, guidelines and restrictions on the electronic transfer of funds from consumers' bank accounts;
- the *Electronic Signatures in Global and National Commerce Act* and similar state laws, particularly the Uniform Electronic Transactions Act, which authorize the creation of legally binding and enforceable agreements utilizing electronic records and signatures; and
- the *Bank Secrecy Act*, which relates to compliance with anti-money laundering, customer due diligence and record-keeping policies and procedures.

Additional federal, state and in some instances, local laws regulate secured and unsecured lending activities, which impact the marketplace, lenders and consumers. These laws generally regulate the manner in which lending and lending-related activities are marketed or made available, including advertising and other consumer disclosures, payments for services and record keeping requirements. State laws often restrict the amount and nature of interest and fees that may be charged by a lender, or otherwise regulate the manner in which lenders operate or advertise.

While the Corporation has developed policies and procedures designed to assist in compliance with applicable laws and regulations, no assurance can be given that these compliance policies and procedures will be effective. Failure to comply with these laws and with regulatory requirements applicable to the Corporation's business could subject it to damages, revocation of licenses, class action lawsuits, administrative enforcement actions, and civil and criminal liability, which may harm the business of the Corporation. As regulation is constantly changing, new laws or regulations, or new interpretations of existing laws or regulations, may also require the Corporation to incur significant expenses to ensure compliance and could have a material adverse impact on the business of the Corporation.

If the Corporation were found to be operating without having obtained necessary state or local licenses, it could adversely affect the business

Certain states have adopted laws regulating and requiring licensing by parties that engage in certain activity regarding consumer finance transactions, including facilitating and assisting such transactions in certain circumstances. Furthermore, certain states and localities have also adopted laws requiring licensing for consumer debt collection or servicing. While management believes that the Corporation has obtained all necessary licenses, the application of some consumer finance licensing laws to the Corporation's business activities is unclear. If the Corporation were found to be in violation of applicable state licensing requirements by a court or a state, federal, or local enforcement agency, the Corporation could be subject to fines, damages, injunctive relief (including required modification or discontinuation of the Corporation's business in certain areas), criminal penalties and other penalties or consequences, and the loans originated through the Corporation's portfolio companies could be rendered void or unenforceable in whole or in part, any of which could have a material adverse effect on the Corporation's relationships and arrangements with Partners, as well as the Corporation's business, operations and financial results.

The Corporation's industry is highly regulated and is undergoing regulatory transformation, which has created inherent uncertainty. Changes to federal, state and local laws, as well as changes to regulatory enforcement policies and priorities, may negatively impact the business of the Corporation

In connection with the origination, management, servicing and administration of credit assets, the Corporation is subject to extensive regulation, supervision and examination under U.S. federal and state laws and regulations. The Corporation is required to comply with numerous federal, state and local laws and regulations that regulate, among other things, the manner in which the Corporation originates, manages, services and administers credit assets, including the terms of the loans that are originated for Partners and the fees that are charged. A material or continued failure to comply with any of these laws or regulations could subject the Corporation to lawsuits or government enforcement actions and/or damage to the Corporation's reputation, which could materially adversely affect the business. Regulators, including the Consumer Financial Protection Bureau ("CFPB"), the Federal Deposit Insurance Corporation ("FDIC"), the Office of the Comptroller of the Currency ("OCC"), the National Credit Union Association ("NCUA") and the Department of Housing and Urban Development, have broad discretion with respect to the interpretation, implementation and enforcement of these laws and regulations, including through enforcement actions that could subject the Corporation to civil money penalties, customer remediations, increased compliance costs, suspension, revocation of or limitations or restrictions being placed on licenses, and limits or prohibitions on the Corporation's ability to offer certain products and services or to engage in certain activities. In addition, to the extent that the Corporation undertakes actions requiring regulatory approval or non-objection, regulators may make their approval or non-objection subject to conditions or restrictions that could have a material adverse effect on the business. Moreover, some competitors are subject to different, and in some cases less restrictive, legislative and regulatory regimes, which may have the effect of providing them with a competitive advantage.

In response to conditions in the U.S. financial markets and economy, as well as a heightened regulatory and Congressional focus on consumer lending, regulators have increased their scrutiny of the financial services industry, the result of which has included federal, state and local governments and regulatory agencies proposing or enacting numerous new laws, regulations and rules related to consumer loans. Federal and state regulators also are enforcing existing laws, regulations and rules more aggressively and enhancing their supervisory expectations regarding the management of legal and regulatory compliance risks. Management is unable to predict the long-term impact of this enhanced scrutiny. Proposals to change the statutes affecting consumer finance and financial services companies are frequently introduced in congress and state legislatures that, if enacted, may affect the Corporation's operating environment in substantial and unpredictable ways. In addition, numerous federal and state regulators have the

authority to promulgate or change regulations that could have a similar effect on the industry as a whole. Management is also unable to predict whether any additional or similar changes to statutes or regulations, including the interpretation or implementation thereof, will occur in the future. Consumer finance regulation is constantly changing, and new laws or regulations, or new interpretations of existing laws or regulations, could have a materially adverse impact on the Corporation's current and intended future operations.

These regulatory changes and uncertainties make business planning more difficult and could result in changes to the Corporation's business model and potentially adversely impact the results of operations of the Corporation. New laws or regulations also require the Corporation to incur significant expenses to ensure compliance. As compared to competitors, the Corporation could be subject to more stringent state or local regulations or could incur marginally greater compliance costs as a result of regulatory changes. In addition, failure to comply with these laws or regulations may result in costly litigation or enforcement actions, the penalties for which could include: revocation of licenses; fines and other monetary penalties; civil and criminal liability; substantially reduced payments by borrowers; and modification of the original terms of loans, permanent forgiveness of debt, or inability to, directly or indirectly, collect all or a part of the principal of or interest on loans.

With respect to state regulation, although the Corporation seeks to comply with applicable state loan, loan broker, loan originator, servicing, debt collection, money transmitter and similar statutes in all U.S. jurisdictions, and with licensing and other requirements that management believes may be applicable to the Corporation, if the Corporation is found to have failed to comply with applicable laws, it could lose one or more of its licenses or authorizations or face other sanctions or penalties or be required to obtain a license in one or more such jurisdictions, which may have an adverse effect on the Corporation's ability to provide business services and make its programs available to borrowers or Partners in particular states and, thus, adversely impact the Corporation's business, operations and financial results.

The Corporation is also subject to potential enforcement and other actions that may be brought by state attorneys general or other state enforcement authorities and other governmental agencies. Any such actions could subject the Corporation to civil money penalties and fines, customer remediations and increased compliance costs, and could damage the Corporation's reputation and brand and limit or prohibit its ability to offer certain products and services or engage in certain business practices.

New laws, regulations, policy or changes in enforcement of existing laws or regulations applicable to the Corporation's business could adversely impact profitability, limit the Corporation's ability to pursue new business activities, require the Corporation to change certain of its business practices or alter its relationships with Partners, dealers and customers, affect retention of key personnel, or expose the Corporation to additional costs (including increased compliance costs and/or customer remediation). These changes also may require the Corporation to invest significant resources, and devote significant management attention, to make any necessary changes and could adversely affect the business of the Corporation.

The highly regulated environment in which certain of the Corporation's Partners operate could have an adverse effect on its business

The Corporation's Partners, who are banks, credit unions and insurance companies, are subject to federal and state supervision and regulation. Federal regulation of the banking industry, along with tax and accounting laws, regulations, rules and standards, may limit their operations significantly and control the methods by which they conduct business. In addition, compliance with laws and regulations can be difficult and costly, and changes to laws and regulations can impose additional compliance requirements. For example, the Dodd-Frank Act imposes significant regulatory and compliance changes on financial institutions. Regulatory requirements affect the Corporation's bank, credit union and insurance company Partners' lending practices and investment practices, among other aspects of their businesses, and restrict transactions between the Corporation and its bank, credit union and insurance company Partners. These requirements may constrain the operations of the Corporation's bank, credit union and insurance company Partners, and the adoption of new laws and changes to, or repeal of, existing laws may have a further impact on the business of the Corporation.

In choosing whether and how to conduct business with the Corporation, current and prospective bank, credit union and insurance company Partners can be expected to take into account the legal, regulatory and supervisory

regime that applies to them, including potential changes in the application or interpretation of regulatory standards, licensing requirements or supervisory expectations. Regulators may elect to alter standards or the interpretation of the standards used to measure regulatory compliance or to determine the adequacy of liquidity, certain risk management or other operational practices for financial services companies in a manner that impacts the Corporation's bank, credit union and insurance company Partners. Furthermore, the regulatory agencies that regulate the Corporation's Partners have broad discretion in their interpretation of the regulations and laws and their interpretation of the quality of the Corporation's bank, credit union and insurance company Partners' loan portfolios and other assets. If any regulatory agency's assessment of the quality of the Corporation's bank, credit union and insurance company Partners' assets, operations, lending practices, investment practices or other aspects of their business changes, it may materially reduce the Corporation's U.S. bank, credit union and insurance company Partners' earnings, capital ratios and share price in such a way that affects the Corporation's current and future business and funding commitments from such Partners.

Bank holding companies and financial institutions are extensively regulated and currently face an uncertain regulatory environment. Applicable state and federal laws, regulations, interpretations, including licensing laws and regulations, enforcement policies and accounting principles have been subject to significant changes in recent years, and may be subject to significant future changes. The Corporation cannot predict with any degree of certainty the substance or effect of pending or future legislation or regulation or the application of laws and regulations to the Corporation's bank, credit union and insurance company Partners. Future changes may have a material adverse effect on the Corporation's U.S. bank, credit union and insurance company Partners and, therefore, on the Corporation as it relates to, among other things, the Corporation's funding commitments from such Partners.

There continues to be uncertainty as to how the CFPB's actions will impact the Corporation's business; the agency's actions may have an adverse impact on the business of the Corporation

The CFPB has broad authority over the businesses in which the Corporation engages. The CFPB is authorized to prevent UDAP through its regulatory, supervisory and enforcement authority and to remediate violations of numerous consumer protection laws in a variety of ways, including collecting civil money penalties and fines and providing for customer restitution. The CFPB is charged, in part, with enforcing certain federal laws involving consumer financial products and services and is empowered with examination, enforcement and rulemaking authority. The CFPB has taken an active role in regulating lending markets. For example, the CFPB sends examiners to banks and other financial institutions and other companies that service and/or originate consumer loans to determine compliance with applicable federal consumer financial laws and to assess whether consumers' interests are protected. In addition, the CFPB maintains an online complaint system that allows consumers to log complaints with respect to various consumer finance products, including provided by certain of the Corporation's portfolio companies.

There continues to be uncertainty as to how the CFPB's strategies and priorities will impact the Corporation's business and results of operations going forward. Actions by the CFPB could result in requirements to alter or cease offering affected products and services, making them less attractive or restricting the Corporation's ability to offer them. Although the Corporation has committed significant resources to enhancing compliance programs, changes by the CFPB in regulatory expectations, interpretations or practices could increase the risk of additional enforcement actions, fines and penalties.

In March 2015, the CFPB issued a report scrutinizing pre-dispute arbitration clauses and, in May 2016, it published a proposed rule that would substantially curtail the Corporation's ability to enter into voluntary pre-dispute arbitration clauses with consumers. In July 2017, the CFPB issued a final rule banning bars on class action arbitration (but not arbitration generally) (the "Arbitration Agreements Rule"). Pre-dispute arbitration clauses currently are contained in all of the loan agreements originated and processed through Triad's programs. The Arbitration Agreements Rule was subsequently challenged in congress and, on November 1, 2017, President Trump approved a resolution repealing the rule. On November 22, 2017, the CFPB published a notice removing the Arbitration Agreements Rule from the Code of Federal Regulations. In the future, if a similar rule were to become effective, the Corporation's exposure to class action arbitration could increase significantly, which could have a material adverse effect on the business of the Corporation.

Future actions by the CFPB (or other regulators) against the Corporation or its competitors that discourage the use of the Corporation's services could result in reputational harm and adversely affect the business of the Corporation. If future regulatory or legislative restrictions or prohibitions are imposed that affect the Corporation's

ability to offer promotional financing for certain of the Corporation's products or that require the Corporation to make significant changes to its business practices, and if the Corporation were unable to develop compliant alternatives with acceptable returns, these restrictions or prohibitions could have a material adverse effect on the Corporation's business.

The Dodd-Frank Act generally permits state officials to enforce regulations issued by the CFPB and to enforce its general prohibition against UDAAP. This could make it more difficult than in the past for federal financial regulators to pre-empt state laws that differ from federal standards. To the extent that states enact requirements that differ from federal standards or state officials and courts adopt interpretations of federal consumer laws that differ from those adopted by the CFPB, the Corporation may be required to alter or cease offering products or services in some jurisdictions, which would increase compliance costs and reduce the Corporation's ability to offer the same products and services to consumers nationwide and consequently its ability to originate and sell loans under those products and services to Partners, and the Corporation may be subject to a higher risk of state enforcement actions.

The Corporation has been in the past and may in the future be subject to federal and state regulatory inquiries regarding its business

The Corporation has, from time to time in the normal course of its former Service Finance business, along with its Triad business, received, and may in the future receive or be subject to, inquiries, examinations or investigations by state and federal regulatory agencies and bodies such as the CFPB, the FDIC, the OCC, the NCUA, state attorneys general, state financial regulatory agencies, and other state or federal agencies or bodies regarding such businesses, including the origination and servicing of consumer loans, practices by merchants or other third parties, and licensing and registration requirements. Any such inquiries, examinations or investigations could involve substantial time and expense to analyze and respond to, could divert management's attention and other resources from running these businesses, and could lead to public enforcement actions or lawsuits and fines, penalties, injunctive relief, and the need to obtain additional licenses that the Corporation does not currently possess. Involvement in any such matters, whether tangential or otherwise and even if the matters are ultimately determined in the Corporation's favor, could also cause significant harm to the Corporation's reputation, lead to additional investigations, examinations and enforcement actions from other agencies or litigants, and further divert management attention and resources from the operation of the business. As a result, the outcome of legal and regulatory actions arising out of any state or federal inquiries the Corporation receives could be material to the business, results of operations, financial condition and cash flows and could have a material adverse effect on the business, financial condition or results of operations of the Corporation.

Cybersecurity risks

ECN Capital's and its subsidiaries' businesses are subject to various cybersecurity and other operational risks. ECN Capital faces various cybersecurity and other operational risks related to its and its portfolio company's businesses on a day-to-day basis. There have been a number of highly publicized cases involving financial services companies, consumer-based companies, governmental agencies and other organizations reporting the unauthorized disclosure of client, customer or other confidential information in recent years, as well as cyber-attacks involving the dissemination, theft and destruction of corporate information or other assets, as a result of a failure to follow procedures by employees or contractors or as a result of actions by third parties, including actions by foreign governments. There have also been several highly publicized cases where hackers have requested "ransom" payments in exchange for not disclosing customer information or for restoring access to information or systems. The Corporation relies heavily on financial, accounting, communication and other information technology systems, including, without limitation, mobile and cloud-based storage systems, and the people who operate them. These systems, including the systems of third parties on whom the Corporation relies, may fail to operate properly or become disabled as a result of tampering or a breach of the Corporation's network security systems or otherwise. The Corporation's and its portfolio companies' customers, dealers and Partners typically provide us with sensitive and confidential information. We are dependent on information technology networks and systems to securely process, transmit and store such information and to communicate among our locations around the world and with our clients, alliance partners and vendors. We may be subject to attempted security breaches and cyber-attacks and a successful breach could lead to shutdowns or disruptions of our systems or third-party systems on which we rely and potential unauthorized disclosure of sensitive or confidential information. Breaches of our or third-party network security systems on which we rely could involve attacks that are intended to obtain unauthorized access to our proprietary information, destroy data or disable, degrade or sabotage our systems, often through the introduction of computer viruses, cyber-attacks and other

means and could originate from a wide variety of sources, including foreign governments or other unknown third parties. If our or third-party systems on which we rely are compromised, do not operate properly or are disabled, we could suffer a disruption of our businesses and operations, financial losses, liability to customers, dealers and/or Partners, regulatory sanctions and damage to our reputation.

Phishing attacks and email spoofing attacks are often used to obtain information, facilitate unauthorized access, or impersonate employees and/or customers, dealers or Partners and their respective representatives, in order to, among other things, direct fraudulent bank transfers, obtain valuable information or disrupt business operations. Fraudulent transfers resulting from phishing attacks or email spoofing of our employees could result in a material loss of assets, reputational harm or legal liability and in turn materially adversely affect our business. In addition, our employees and subsidiaries' employees are responsible for following proper measures to maintain the confidentiality of information we hold. If an employee's failure to do so results in the improper release of confidential information, or our systems are otherwise compromised or do not operate properly, we could suffer a disruption of our businesses, financial losses, liability to customers, dealers, Partners, regulatory sanctions and reputational harm and in turn materially adversely affect our business. The increased use of mobile technologies can heighten these and other operational risks. There can be no assurance that we or the third parties on whom we rely will be able to anticipate, detect or implement effective preventative measures against increasingly sophisticated cyber threats. We operate a business that is highly dependent on information systems and technology. Any failure to keep accurate books and records can render us liable to disciplinary action by governmental and self-regulatory authorities, as well as to claims by our customers, dealers and/or Partners. We rely on third-party service providers for certain aspects of our business. Any interruption or deterioration in the performance of these third parties or failures of their information systems and technology could impair our operations, expose sensitive information, affect our reputation and adversely affect our business.

Additionally, many of our employees work remotely or in a hybrid arrangement and will continue to do so for the foreseeable future. Remote and hybrid working arrangements at ECN Capital (and at many third-party providers) increase cybersecurity risks due to the challenges connected to handling remote computing assets and security vulnerabilities that exist in many non-corporate and home networks. While we have designed our controls and processes to function in a remote working environment, there is a heightened risk such controls and processes may not detect or prevent unauthorized access to our information systems. There can be no assurance that our cybersecurity risk management program and processes will be fully implemented, complied with or effective in protecting our information technology systems and confidential information.

The Corporation may be exposed to certain risks in relation to artificial intelligence tools

The Corporation continues to invest in its data management and governance to, among other things, support reporting needs, business decision-making and grow its analytics practices. While the Corporation does not currently use third-party and open-source artificial intelligence ("AI") tools in connection with its business, the Corporation's employees, consultants, and partners may use these tools and the Corporation may use such tools in the future.

Alongside the potential benefits of AI tools and technology come risks, including the potential exposure of the Corporation's proprietary or confidential information to unauthorized recipients, the misuse of the Corporation's or third-party intellectual property, the exposure or misuse of personal information, and allegations or claims against the Corporation related to violation of third-party intellectual property rights. As AI systems make decisions based on data and models, they can inherit or amplify bias or raise concerns about fairness or ethical use. In addition, AI models may not be sufficiently transparent in order to allow users to evaluate the accuracy or appropriateness of the output, which could result in inaccurate responses that could lead to errors in the Corporation's decision-making or other business activities. These risks could have a negative impact on the Corporation's business, operating results and financial condition.

ECN Capital's provision for credit losses may prove inadequate

ECN Capital's businesses depend on the creditworthiness of its borrowers and lessees and their abilities to fulfill their obligations to ECN Capital. ECN Capital maintains a provision for credit losses that reflects management's judgment of losses inherent in the portfolio. ECN Capital periodically reviews the adequacy of its provision for credit

losses considering economic conditions and trends, collateral values, and credit quality indicators, including past loss experiences, levels of past due loans, past due loan and lease migration trends, and the level of non-performing assets.

ECN Capital's reserve for credit losses may prove inadequate and ECN Capital cannot assure that its periodic provisions for credit losses will be adequate over time to cover actual credit losses in ECN Capital's portfolios because of adverse changes in the economy or events adversely affecting specific borrowers or lessees, industries, or markets. ECN Capital's reserve and periodic provisions for credit losses may not keep pace with changes in the creditworthiness of ECN Capital's borrowers and lessees, or in collateral values in respect of the loans and leases made to them. If the credit quality of ECN Capital's customer base declines, if the risk profile of a market, industry, or group of customers changes significantly, or if the markets for equipment or other collateral deteriorates significantly, any or all of which would adversely affect the adequacy of ECN Capital's reserves for credit losses, it could have a material adverse effect on ECN Capital's businesses, results of operations, and financial position.

While credit losses have been minimal to date, ECN Capital has provided and will continue to provide for credit losses based on industry-specific historical losses considering the categories, segmentation and distribution of the assets being financed and its customer base.

The collateral securing a loan or a lease may not be sufficient

While most of ECN Capital's loans and leases are secured by a lien on specified collateral, there is no assurance that ECN Capital has, in each instance, obtained, or properly perfected, such liens, or that the value of the collateral backing any particular financial asset will protect ECN Capital from suffering a partial, or complete, loss if the applicable loan or lease becomes non-performing and ECN Capital moves to exercise its remedies in respect of such collateral. In such event, ECN Capital could suffer loan or lease losses which could have a material adverse effect on its revenue, net income, financial condition and results of operations.

When underwriting collateral, ECN Capital makes an estimate of the value of the collateral under a distressed disposition. The accurate estimated realization value of a leased asset during, and at the end of, the term of a lease is a critical element to the success of any leasing business. A decrease in the market value of leased equipment at a rate greater than the rate ECN Capital projected, whether due to rapid technological or economic obsolescence, unusual wear and tear on the equipment, excessive use of the equipment, recession or other adverse economic conditions, or other factors, would adversely affect the current realization values of such leased assets.

Further, certain leased asset realization values are dependent on the manufacturers' or vendors' warranties, reputation, and other factors, including market liquidity. The degree of realization risk varies by transaction type.

Change in interest rates may adversely affect ECN Capital's results of operations, financial results and financial condition

Interest rate risk relates to the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market interest rates. The U.S. Federal Reserve has raised the federal funds rate eleven times since the start of 2022 in response to rising inflation. At its March 2024 meeting, the Federal Reserve kept interest rates unchanged and indicated a willingness to keep rates elevated until it has gained greater confidence that inflation is moving sustainably toward 2%. While the future timing and impact of changes in interest rates are unknown, changes in market interest rates could have an adverse effect on our transaction volumes, consumer sentiments and spending decisions, results of operations, financial results and financial condition.

In order to hedge interest rate risk, ECN Capital structures its secured funding arrangements to maintain a fixed interest rate spread between the interest paid on both the term funding facilities and the revolving facilities and the interest received on the underlying originated financial assets. This fixed interest rate spread is achieved by match-funding transactions on both a durational and interest rate basis. In some instances, ECN Capital enters into interest rate swaps to manage interest rate risk.

ECN Capital does experience short-term interest rate risk on its originated financial assets during the interval between accepting the contractual rate under such newly-originated financial assets and the locking-in of the interest rate under the Corporation's funding facilities. During this time, an upward movement in U.S. bond rates can

negatively impact the profitability of newly-originated financial assets. In order to hedge or mitigate this risk, where possible and practicable, ECN Capital monitors its cost of borrowed funds to ensure its rates on newly-originated financial assets reflect spreads adequately in order to insulate against sudden unexpected interest rate movements where determined practicable or economically feasible. In order to further address or mitigate interest rate risk, ECN Capital may undertake financial asset securitization transactions to help to ensure its finance contracts are appropriately match-funded to its funding arrangements, thereby reducing the “warehousing period” and the likelihood that a significant movement in market interest rates will negatively impact the profitability of such transactions. ECN Capital also seeks to maintain adequate balance sheet liquidity to allow it flexibility in developing strategies of holding, versus securitizing, such financial assets.

After considering the fixed interest rate spread on the secured borrowing programs and high exposure to fixed rate finance receivables described above, ECN Capital’s interest rate risk is limited to cash and restricted cash, floating rate finance receivables which are neither hedged nor part of a match-funded secured borrowing arrangement, and its Senior Credit Facility.

ECN Capital’s Secured Consumer Loan Portfolios business segments could also be adversely affected by changes in interest rates to the extent that its Partners require higher yields that cannot be passed on to the dealers/consumers it acquires the loans from. If this situation were to occur, it would have a material adverse impact on ECN Capital’s operating results.

ECN Capital’s results are difficult to forecast and may fluctuate substantially

ECN Capital’s quarterly and annual operating results are likely to fluctuate in the future. These fluctuations could cause ECN Capital’s stock price to decline. In some future quarters or years, ECN Capital’s financial or operating results may not meet the expectations of securities analysts and investors which could result in a decline in the price of the Common Shares. Many other different factors could cause ECN Capital’s results of operations to fluctuate from quarterly and annual projections, including:

- the success of ECN Capital’s origination activities, the timing of launch and market acceptance of ECN Capital’s commercial finance products;
- credit losses and default rates;
- ECN Capital’s ability to maintain and enter into new funding arrangements;
- competition;
- seasonal fluctuations in ECN Capital’s businesses, including the timing of transactions;
- costs of compliance with dynamic regulatory requirements;
- the timing and effect of any future acquisitions;
- personnel changes;
- changes in accounting principles or standards or in the way they are applied;
- changes in market interest rates and foreign exchange rates;
- general changes to the North American and global economies;
- catastrophic events, nature disasters, severe weather and disease; and
- political conditions or events.

ECN Capital bases its current and future operating expense levels and its investment plans on estimates of future net income, origination activity, and rate of growth. Any shortfalls in ECN Capital's net income, origination activity or in its expected growth rates could result in a decline in the price of the Common Shares.

Assumptions or estimations used in preparing financial statements may be incorrect

ECN Capital is required to make various assumptions and estimates in preparing its financial statements under International Financial Reporting Standards ("IFRS"). In addition, significant assumptions and estimates are involved in determining certain disclosures required under IFRS, including those involving fair value measurements. If the assumptions or estimates underlying ECN Capital's financial statements are incorrect, the actual amounts realized on transactions and balances subject to those estimates will be different, which could have a material adverse effect on the business.

Valuation of certain of ECN Capital's investments and assets is subject to uncertainty

The reported value of an investment or asset may not reflect the price at which ECN Capital could dispose of that investment or asset at any given time. There may be no readily ascertainable market prices for a substantial majority of the Corporation's illiquid investments or other assets. There is also no single standard for determining the fair value of an investment or asset in all cases. In many cases, fair value of an investment or asset is derived from the application of more than one methodology and/or is best expressed as a range of fair values from which a single estimate may be derived. The determination of appropriate methodologies, their relative weightings, and their application to any particular investment or asset is in part a subjective exercise and further relies on estimates of key inputs and significant assumptions and judgements. Due to the uncertainty in the valuation of, or in the stability of the value of, certain of ECN Capital's investments and assets, their fair values as reflected in the Corporation's publicly filed documents do not necessarily reflect the prices that would actually be obtained when such investments are realized or assets are sold. Additional information is provided in the Corporation's annual financial statements and management's discussion and analysis for the fiscal year ended December 31, 2023, which have been filed on SEDAR+ at www.sedarplus.com.

Valuation of ECN Capital's goodwill and the determination of impairment are subject to assumptions and estimates

Goodwill on ECN Capital's consolidated balance sheet originated from the Corporation's various acquired businesses. Goodwill is initially measured at cost and is calculated as the excess of the purchase price for an acquired business over the fair value of acquired net identifiable assets and liabilities and is allocated to the cash-generating units ("CGU") to which it relates. Management evaluates goodwill annually for impairment, or more frequently when there are indicators that impairment may have occurred, by comparing the carrying value of its recoverable amount. Management uses judgment in estimating the recoverable amounts of the Corporation's CGUs and uses models that consider various factors and assumptions including forecasted cash earnings, growth rates and discount rates. The use of different assumptions and estimates could influence the determination of the existence of impairment and the valuation of goodwill. ECN Capital's goodwill is described in its annual financial statements and management's discussion and analysis for the fiscal year ended December 31, 2023, which have been filed on SEDAR+ at www.sedarplus.com.

The decision to pay dividends on Common Shares and/or Preferred Shares is subject to discretion

Although ECN Capital currently pays quarterly cash dividends on its Common Shares and Series C Shares, and semi-annual cash dividends on its Series E Shares (see "Dividends"), these cash dividends may be reduced or suspended. The amount of cash available to ECN Capital to pay dividends, if any, can vary significantly from period to period for a number of reasons, including, among other things: ECN Capital's operational and financial performance; fluctuations in market prices of factors of production; the amount of cash required or retained for debt service or repayment; amounts required to fund capital expenditures and working capital requirements; access to capital markets; foreign currency exchange rates and interest rates; and the other risk factors set forth in this Annual Information Form.

The decision whether or not to pay dividends and the amount of any such dividends are subject to the discretion of the Board, which regularly evaluates proposed dividend payments against the solvency test requirements

of the OBCA and the requirements of the applicable law. In addition, the level of dividends per Common Share or Preferred Share will be affected by the number of outstanding Common Shares or Preferred Shares and other securities that may be entitled to receive cash dividends or other payments. Dividends may be increased, reduced or suspended depending on the Corporation's operational success. The market value of Common Shares or Preferred Shares may deteriorate if ECN Capital is unable to meet dividend expectations in the future, and that deterioration may be material.

Information technology infrastructure security breaches may negatively impact ECN Capital

Any inability on ECN Capital's part to protect the security of its platforms or the privacy of confidential information could have a material adverse effect on ECN Capital's profitability by exposing ECN Capital to additional liability, increasing ECN Capital's expenses relating to resolution of these breaches, and deterring users from using ECN Capital's products. Despite the implementation of security measures, ECN Capital's information systems and operations and those of its contractors and consultants are vulnerable to damage from computer viruses, unauthorized access, natural disasters, terrorism, war and telecommunication and electrical failures. Such events could cause interruption of the Corporation's operations. ECN Capital cannot ensure that its current security measures will effectively counter evolving security risks, prevent future slowdowns or disruptions, protect against extraordinary attacks, or address adequately the security and privacy concerns of existing and potential users. Any system failures, slowdowns or disruptions will likely result in unanticipated disruptions in service to ECN Capital's users, decreased levels of user satisfaction and significant negative effects on ECN Capital's reputation.

ECN Capital's businesses depend on the efficient and uninterrupted operation of computer and communications systems, networks, hardware, software, and other information technology. If such systems fail or ECN Capital is unable to timely expand the capacity of these systems, or integrate new technologies into its existing systems, its operations and financial results could suffer.

ECN Capital relies on third-party encryption and authentication technology to provide secure transmission of confidential information over the Internet. Advances in technological capabilities, new discoveries in the field of cryptography, or other events or developments, could result in a compromise or breach of the technology ECN Capital uses to protect sensitive data. If any such compromise of ECN Capital's security, or the security of ECN Capital's customers, were to occur, it could result in misappropriation of proprietary information or interruptions in operations, and have an adverse impact on ECN Capital's reputation or the reputation of ECN Capital's customers. If ECN Capital is unable to detect and prevent unauthorized use of sensitive or confidential data, its businesses, results of operations and financial condition could be materially and adversely affected.

Litigation may negatively impact ECN Capital's financial condition

From time to time in the ordinary course of its business, ECN Capital may become involved in various legal proceedings, including commercial, employment, class action and other litigation and claims, as well as governmental and other regulatory investigations and proceedings. Such matters can be time-consuming, divert management's attention and resources and cause ECN Capital to incur significant expenses. Furthermore, because the course and outcome of litigation is inherently unpredictable, the results of any such actions may have a material adverse effect on ECN Capital's businesses, operating results or financial condition.

Reputation risk

ECN Capital's reputation, which depends on earning and maintaining the trust and confidence of its customers is critical to the business. ECN Capital's reputation is vulnerable to many threats that can be difficult or impossible to control, and costly or impossible to remediate. Regulatory inquiries or investigations, data security breaches, lawsuits initiated by customers or stockholders, employee misconduct, perceptions of conflicts of interest and rumors, among other developments, could substantially damage ECN Capital's reputation, even if they are baseless or satisfactorily addressed. In addition, any perception that the quality of ECN Capital's services may not be the same or better than that of other providers, can also damage reputation. Any damage to ECN Capital's reputation could harm its ability to attract and retain customers, which would materially adversely affect results of operations,

financial condition and business. Attempts to repair ECN Capital's reputation, if damaged, may be costly and time consuming, and such efforts may not ultimately be successful.

Taxes

ECN Capital is an Ontario corporation which operates in multiple Canadian and foreign jurisdictions. As a result, it is subject to the tax laws and regulations of Canadian federal, provincial and local governments and of the governments of foreign jurisdictions in which ECN Capital operates, as well as to any income tax treaties between Canada and any such jurisdictions, and to the risk that those tax laws, regulations and treaties may change in the future. Any such changes could adversely affect the amount of taxes payable, including withholding taxes, and the effective tax rate in the jurisdictions in which ECN Capital operates.

The determination of ECN Capital's provision for income taxes in Canada and elsewhere, including current and deferred tax assets and liabilities disclosed in ECN Capital's financial statements, require estimates, interpretation and significant judgment. Various internal and external factors may have favourable or unfavourable effects on future provisions for income taxes and ECN Capital's effective income tax rate. These factors include, but are not limited to, changes in tax laws, regulations and/or rates, results of audits by tax authorities, changing interpretations of existing tax laws or regulations, changes in estimates of prior years' items, and changes in overall levels of income before taxes. Furthermore, new accounting pronouncements, or new interpretation of existing accounting pronouncements, can have a material impact on ECN Capital's effective income tax rate.

ECN Capital could be impacted by certain tax treatments for various revenue streams in different tax jurisdictions. ECN Capital, from time to time, has executed or may execute reorganization transactions impacting its tax structure. If a tax authority has a different interpretation from ECN Capital's, it could potentially impose additional taxes, penalties or fines. This would potentially reduce the amounts of revenue ultimately received by ECN Capital.

ECN Capital may be treated as a passive foreign investment company for U.S. federal income tax purposes, in which case U.S. Shareholders would be subject to a special, generally adverse tax regime

If the Corporation is treated as a passive foreign investment company ("PFIC") with respect to a U.S. Holder, the U.S. Holder will generally be subject to special rules, which could result in adverse U.S. federal income tax consequences. The Corporation believes that (i) it has not been a PFIC for any taxable year prior to its current taxable year, (ii) it will not be a PFIC for its taxable year ending December 31, 2023, and (iii) it will not be a PFIC for its future taxable years.

There can be no assurance, however, that the Corporation is not a PFIC for its current taxable year and has not been a PFIC for any prior taxable year or that the IRS will not successfully challenge those positions.

Each U.S. Holder is urged to consult its own tax advisor regarding the potential PFIC status of the Corporation and how the PFIC rules (including elections that may be available thereunder) would affect the U.S. federal income tax consequences of the Distribution to it.

Volatility of Common Shares, Series C Shares, 2025 Debentures, 2026 Debentures and 2027 Debentures prices

Market prices for commercial finance and asset management corporations have at times been volatile and subject to substantial fluctuations. The stock markets, from time-to-time, experience significant price and volume volatility unrelated to the operating performance of their constituent companies. Future announcements concerning ECN Capital or its competitors, including those pertaining to financing arrangements, government regulations, developments concerning regulatory actions affecting ECN Capital, litigation, additions or departures of key personnel, cash flow, and economic conditions and political factors in the U.S., Canada or other regions (including presidential elections) may have a significant impact on the market price of the Common Shares, the Preferred Shares, the 2025 Debentures, 2026 Debentures and/or 2027 Debentures. In addition, there can be no assurance that the

Common Shares, the Series C Shares (or the Series D Shares, if issued), the 2025 Debentures, the 2026 Debentures or the 2027 Debentures, will continue to be listed on the TSX or any other public exchange.

The market price of the Common Shares, the Series C Shares (or Series D Shares, if issued), the 2025 Debentures, the 2026 Debentures and/or the 2027 Debentures could fluctuate significantly for many other reasons, including for reasons unrelated to ECN Capital's specific performance, such as reports by industry analysts, investor perceptions, opinions and beliefs with respect to potential market prices shared on social media channels, such as YouTube and Reddit, or negative announcements by its customers, competitors or suppliers regarding their own performance, as well as general economic and industry conditions. For example, to the extent that other peer companies within ECN Capital's industry experience declines in their stock price, the share price of the Common Shares, the Series C Shares (or Series D Shares, if issued), the 2025 Debentures, the 2026 Debentures and/or the 2027 Debentures, may decline as well. In addition, when the market price of a company's shares drops significantly, shareholders often institute securities class action lawsuits against such company. A lawsuit against ECN Capital could cause it to incur substantial costs and could divert the time and attention of its management and other resources.

Sales of a substantial number of the Common Shares (or other securities exercisable or convertible into Common Shares) may cause the price of the Common Shares to decline

Any sales of substantial numbers of the Common Shares (or other securities exercisable or convertible into Common Shares) in the public market or the exercise of significant amounts of ECN Capital's outstanding stock options or the perception that such sales or exercise might occur may cause the market price of the Common Shares to decline.

The issuance of the Common Shares (or other securities exercisable or convertible into Common Shares) to shareholders whose investment profile may not be consistent with ECN Capital's businesses may lead to significant sales of the Common Shares or a perception that such sales may occur, either of which could have a material adverse effect on the market for and market price of the Common Shares.

Management of growth may strain ECN Capital's resources

ECN Capital's future growth, if any, may cause a significant strain on management, operational, financial and other resources. The ability to effectively manage growth will require ECN Capital to improve and/or expand its operational, financial and management information systems and to train, manage and motivate its employees. These demands may require the addition of new management personnel and the development of additional expertise by management. Any increase in resources devoted to product and business development without a corresponding increase in operational, financial and management information systems could have a material adverse effect on ECN Capital's performance. The failure of ECN Capital's management team to effectively manage growth could have a material adverse effect on ECN Capital's businesses, financial condition and results of operations.

Redemption of the outstanding 2025 Debentures, 2026 Debentures and 2027 Debentures, conversion of the Series E Shares into Common Shares, and further equity financings may dilute the interests of the Corporation's shareholders and depress the price of the Common Shares

ECN Capital may determine to redeem the outstanding 2025 Debentures, 2026 Debentures and/or 2027 Debentures, or to repay outstanding principal amounts owing thereunder at respective maturities of the 2025 Debentures, 2026 Debentures and/or 2027 Debentures by issuing additional Common Shares. Additionally, the Series E Shares may be converted into Common Shares at any time at the option of Skyline Champion, are convertible at the option of ECN Capital in connection with a change of control of the Corporation, and will automatically convert on September 26, 2028. Accordingly, holders of Common Shares may suffer dilution.

If ECN Capital raises additional financing through the issuance of equity securities (including securities convertible or exchangeable into equity securities) or completes an acquisition or merger by issuing additional equity securities, such issuance may substantially dilute the interests of shareholders and reduce the value of their investment. The market price of the Common Shares could decline as a result of issuances of new shares or sales by shareholders in the market or the perception that such sales could occur. Sales by shareholders might also make it more difficult for ECN Capital itself to sell equity securities at a time and price that it deems appropriate.

ECN Capital may not be able to satisfy interest and principal payments on its outstanding debentures

The ability of the Corporation to make scheduled payments on or to refinance its debt obligations, including the 2025 Debentures, 2026 Debentures and 2027 Debentures, depends on the Corporation's financial condition and operating performance, which are subject to a number of factors beyond the Corporation's control.

The Corporation conducts its operations, directly and indirectly, through certain subsidiaries. Accordingly, the Corporation relies upon distributions and other payments from such subsidiaries to generate a portion of the funds necessary to pay the principal of, and interest on, the 2025 Debentures, the 2026 Debentures and the 2027 Debentures. The ability of such subsidiaries to pay distributions and other payments including, but not limited to, dividends to the Corporation may be restricted by, among other things, the availability of cash flows from operations, contractual restrictions in the Corporation's debt instruments, including the Senior Credit Facility, applicable corporate laws and other laws and agreements of the Corporation's subsidiaries.

The Corporation may be unable to maintain a level of cash flow from operating activities sufficient to permit the Corporation to pay the principal, premium, if any, and interest on its indebtedness, including the 2025 Debentures, the 2026 Debentures and/or the 2027 Debentures.

If the Corporation's cash flow and capital resources are insufficient to fund its debt service obligations, the Corporation could face substantial liquidity problems and could be forced to reduce or delay investments and capital expenditures or to dispose of material assets or operations, seek additional debt or equity capital or restructure or refinance its indebtedness, including the 2025 Debentures, the 2026 Debentures and the 2027 Debentures. The Corporation may not be able to effect any such alternative measures on commercially reasonable terms or at all and, even if successful, those alternative actions may not allow the Corporation to meet its scheduled debt service obligations.

The Corporation's inability to generate sufficient cash flow to satisfy its debt obligations, or to refinance its indebtedness on commercially reasonable terms or at all, would materially and adversely affect the Corporation's business, results of operations, financial condition and its ability to satisfy its obligations under the debentures.

None of the 2025 Debentures, the 2026 Debentures or the 2027 Debentures are rated by any designated rating organization and the Corporation has no current plans to apply for any credit ratings in respect of itself or any such outstanding debentures. Although the Corporation has not applied for any credit ratings in respect of itself or any such outstanding debentures, KBRA has revised its rating for the Corporation to BB+, which was driven by the challenged profitability and elevated leverage level. The Corporation cannot know for certain that a rating will remain in effect or that a rating agency will not revise or withdraw it entirely in the future.

Issue of Preferred Shares by ECN Capital

ECN Capital's Board has the authority to issue undesignated preferred shares and, before issue, to fix the designation of, and the rights and restrictions attached to, the preferred shares of each series, without consent from shareholders. Preferred Shares could be issued with or without voting, dividend, liquidation, dissolution, winding-up and other rights superior to those of Common Shares. ECN Capital has previously issued three series of Preferred Shares (the Series A Shares, Series C Shares and Series E Shares); see "*Description of Share Capital – Preferred Shares*".

Securities industry analyst research reports

The trading market for the Common Shares is influenced by the research and reports that industry or securities analysts publish about ECN Capital or its counterparties. If covered, a decision by an analyst to cease coverage of ECN Capital or fail to regularly publish reports on ECN Capital could cause ECN Capital to lose visibility in the financial markets, which, in turn, could cause the price or trading volume of Common Shares to decline. Moreover, if an analyst who covers ECN Capital or any of its counterparties downgrades its or its counterparties' stock, or if operating results do not meet analysts' expectations, the price or trading volume of the Common Shares could decline.

Compliance with laws and regulations affecting public companies

Any future changes to the laws and regulations affecting public companies, compliance with existing provisions of National Instrument 52-109 — *Certification of Disclosure in Issuer's Annual and Interim Filings* ("NI 52-109") and the other applicable Canadian securities laws, regulations and related rules and policies, may cause ECN Capital to incur increased costs as it evaluates the implications of new rules and implements any new requirements. Delays or a failure to comply with the new laws, rules and regulations could result in enforcement actions, the assessment of penalties and civil suits.

Any new laws and regulations may make it more expensive for ECN Capital to provide indemnities to ECN Capital's officers and directors and may make it more difficult to obtain certain types of insurance, including liability insurance for directors and officers. Accordingly, ECN Capital may be forced to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. The impact of these events could also make it more difficult for ECN Capital to attract and retain qualified persons to serve on its Board or as executive officers. ECN Capital may be required to hire additional personnel and utilize additional outside legal, accounting and advisory services, all of which could cause general and administrative costs to increase beyond what ECN Capital currently has planned. ECN Capital is continuously evaluating and monitoring developments with respect to these laws, rules and regulations and it cannot predict or estimate the amount of the additional costs it may incur or the timing of such costs.

ECN Capital is required annually to review and report on the effectiveness of its internal control over financial reporting in accordance with NI 52-109. The results of this review are reported in the 2023 MD&A. ECN Capital's Chief Executive Officer and Chief Financial Officer are required to report on the effectiveness of ECN Capital's internal control over financial reporting.

Management's review is designed to provide reasonable assurance, not absolute assurance, that all material weaknesses existing within ECN Capital's internal controls are identified. Material weaknesses represent deficiencies existing in internal controls that may not prevent or detect a misstatement occurring which could have a material adverse effect on the quarterly or annual financial statements of ECN Capital. In addition, management cannot provide assurance that the remedial actions being taken by ECN Capital to address any material weaknesses identified will be successful, nor can management provide assurance that no further material weaknesses will be identified within its internal controls over financial reporting in future years.

If ECN Capital fails to maintain effective internal controls over its financial reporting, there is the possibility of errors or omissions occurring or unintended misrepresentations in ECN Capital's disclosures which could have a material adverse effect on ECN Capital's businesses, its financial statements and the value of the Common Shares.

Public company requirements may strain ECN Capital's resources

As a public company, ECN Capital is subject to the reporting requirements of the *Securities Act* (Ontario) (the "Act"), as amended, the regulations and rules thereto, including the national and multilateral instruments adopted as rules, decisions, rulings and orders promulgated under the Act, published policy statements issued by the Ontario Securities Commission, and the listing requirements of the TSX. The ever increasing obligations of operating as a public company will require significant expenditures and will place additional demands on management as ECN Capital complies with the reporting requirements of a public company. ECN Capital may need to hire additional accounting, financial and legal staff with appropriate public company experience and technical accounting and regulatory knowledge.

In addition, actions that may be taken by significant shareholders, if any, may divert the time and attention of the Board and management from the Corporation's businesses. Campaigns by significant investors to effect changes at publicly-traded companies have increased in recent years. If a proxy contest were to be pursued by any shareholder, it could result in substantial expense to ECN Capital and consume significant attention of management and the Board. In addition, there can be no assurance that any shareholder will not pursue actions to effect changes in the management and strategic direction of ECN Capital, including through the solicitation of proxies from ECN Capital's shareholders.

ADDITIONAL INFORMATION

Additional information relating to ECN Capital may be found on SEDAR+ at www.sedarplus.com. Information including directors' and officers' remuneration and indebtedness, principal holders of ECN Capital's securities and securities authorized for issuance under ECN Capital's stock option plan is contained in ECN Capital's Management Information Circular dated May 16, 2023 filed on SEDAR+ at www.sedarplus.com. Additional financial information is provided in the financial statements as at and for the year ended December 31, 2023 and the accompanying MD&A dated December 31, 2023, which have been filed on SEDAR+ at www.sedarplus.com.

APPENDIX “A”

AUDIT COMMITTEE MANDATE

As of October 3, 2016

1. Introduction

The Audit Committee (the “**Committee**” or the “**Audit Committee**”) of ECN Capital Corp. (the “**Corporation**”) is a committee of the Board of Directors (the “**Board**”). The Committee shall oversee the accounting and financial reporting practices of the Corporation and the audits of the Corporation’s financial statements and exercise the responsibilities and duties set out in this Audit Committee Mandate (this “**Mandate**”).

2. Membership

Number of Members

The Committee shall be composed of three or more members of the Board.

Independence of Members

Each member of the Committee must be independent. “**Independent**” shall have the meaning, as the context requires, given to it in National Instrument 52-110 *Audit Committees*, as may be amended and/or replaced from time to time.

Chair

At the time of the annual appointment of the members of the Audit Committee, the Board shall appoint a Chair of the Audit Committee. The Chair shall be a member of the Audit Committee, preside over all Audit Committee meetings, coordinate the Audit Committee’s compliance with this Mandate, work with management to develop the Audit Committee’s annual work-plan and provide reports of the Audit Committee to the Board.

Financial Literacy of Members

At the time of his or her appointment to the Committee, each member of the Committee shall have, or shall acquire within a reasonable time following appointment to the Committee, the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation’s financial statements.

Term of Members

The members of the Committee shall be appointed annually by the Board. Each member of the Committee shall serve at the pleasure of the Board until the member resigns, is removed, or ceases to be a member of the Board. Unless a Chair is elected by the Board, the members of the Committee may designate a Chair by majority vote of the full Committee membership.

3. Meetings

Number of Meetings

The Committee may meet as many times per year as necessary to carry out its responsibilities.

Calling of Meetings

The Chair, any member of the Audit Committee, the external auditors, the Chair of the Board or Lead Director, or the Chief Executive Officer or the Chief Financial Officer may call a meeting of the Audit Committee by notifying the Corporation's Secretary who will notify the members of the Audit Committee. The Chair shall chair all Audit Committee meetings that he or she attends, and in the absence of the Chair, the members of the Audit Committee present may appoint a chair from their number for a meeting.

Minutes; Reporting to the Board

The Committee shall maintain minutes or other records of meetings and activities of the Committee in sufficient detail to convey the substance of all discussions held. Upon approval of the minutes by the Committee, the minutes shall be circulated to the members of the Board. However, the Chair may report orally to the Board on any matter in his or her view requiring the immediate attention of the Board.

Attendance of Non-Members

The external auditors are entitled to attend and be heard at each Committee meeting. In addition, the Committee may invite to a meeting any officers or employees of the Corporation, legal counsel, advisors and other persons whose attendance it considers necessary or desirable in order to carry out its responsibilities. At least once per year, the Committee shall meet with management in separate sessions to discuss any matters that the Committee or such individuals consider appropriate.

Meetings without Management

The Committee shall hold unscheduled or regularly scheduled meetings, or portions of meetings, at which management is not present.

Procedure

The procedures for calling, holding, conducting and adjourning meetings of the Committee shall be the same as those applicable to meetings of the Board.

Access to Management and Outside Advisors

In discharging the forgoing duties and responsibilities, the Audit Committee 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 Audit Committee shall have the authority to retain external 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.

4. Duties and Responsibilities

The Committee shall have the functions and responsibilities set out below as well as any other functions that are specifically delegated to the Committee by the Board and that the Board is authorized to delegate by applicable laws and regulations. In addition to these functions and responsibilities, the Committee shall perform the duties required of an audit committee by any exchange upon which securities of the Corporation are traded, or any governmental or regulatory body exercising authority over the Corporation, as are in effect from time to time (collectively, the "Applicable Requirements").

Financial Reports

(a) General

The Audit Committee is responsible for overseeing the Corporation's financial statements and financial disclosures. Management is responsible for the preparation, presentation and integrity of the Corporation's financial statements and financial disclosures and for the appropriateness of the accounting principles and the reporting policies used by the Corporation. The auditors are responsible for auditing the Corporation's annual consolidated financial statements and for reviewing the Corporation's unaudited interim financial statements.

(b) Review of Annual Financial Reports

The Audit Committee shall review the annual consolidated audited financial statements of the Corporation, the auditors' report thereon and the related management's discussion and analysis of the Corporation's financial condition and results of operation ("MD&A"). After completing its review, if advisable, the Audit Committee shall approve and recommend for Board approval the annual financial statements and the related MD&A.

(c) Review of Interim Financial Reports

The Audit Committee shall review the interim consolidated financial statements of the Corporation, the auditors' review report thereon and the related MD&A. After completing its review, if advisable, the Audit Committee shall approve and recommend for Board approval the interim financial statements and the related MD&A.

(d) Review Considerations

In conducting its review of the annual financial statements or the interim financial statements, the Audit Committee shall:

- (i) meet with management and the auditors to discuss the financial statements and MD&A;
- (ii) review the disclosure in the financial statements;
- (iii) review the audit report or review report prepared by the auditors;
- (iv) discuss with management, the auditors and legal counsel, as requested, any litigation claim or other contingency that could have a material effect on the financial statements;
- (v) review the accounting policies followed and critical accounting and other significant estimates and judgements underlying the financial statements as presented by management;
- (vi) review any material effects of regulatory accounting initiatives or off-balance sheet structures on the financial statements as presented by management, including requirements relating to complex or unusual transactions, significant changes to accounting principles and alternative treatments under Canadian generally accepted accounting principles applicable to publicly accountable enterprises;
- (vii) review any material changes in accounting policies and any significant changes in accounting practices and their impact on the financial statements as presented by management;
- (viii) review management's report on the effectiveness of internal controls over financial reporting;
- (ix) review the factors identified by management as factors that may affect future financial results;
- (x) review results of the Corporation's audit committee whistleblower hotline program; and

- (xi) review any other matters related to the financial statements that are brought forward by the auditors, management or which are required to be communicated to the Audit Committee under accounting policies, auditing standards or Applicable Requirements.

(e) **Approval of Other Financial Disclosures**

The Audit Committee shall review and, if advisable, approve and recommend for Board approval financial disclosure in a prospectus or other securities offering document of the Corporation, press releases disclosing, or based upon, financial results of the Corporation and any other material financial disclosure, including financial guidance provided to analysts, rating agencies or otherwise publicly disseminated.

Auditors

(a) **General**

The Audit Committee shall be responsible for oversight of the work of the auditors, including the auditors' work in preparing or issuing an audit report, performing other audit, review or attest services or any other related work.

(b) **Nomination and Compensation**

The Audit Committee shall review and, if advisable, select and recommend for Board approval the external auditors to be nominated and the compensation of such external auditor. The Audit Committee shall have ultimate authority to approve all audit engagement terms and fees, including the auditors' audit plan.

(c) **Resolution of Disagreements**

The Audit Committee shall resolve any disagreements between management and the auditors as to financial reporting matters brought to its attention.

(d) **Discussions with Auditors**

At least annually, the Audit Committee shall discuss with the auditors such matters as are required by applicable auditing standards to be discussed by the auditors with the Audit Committee.

(e) **Audit Plan**

At least annually, the Audit Committee shall review a summary of the auditors' annual audit plan. The Audit Committee shall consider and review with the auditors any material changes to the scope of the plan.

(f) **Quarterly Review Report**

The Audit Committee shall review a report prepared by the auditors in respect of each of the interim financial statements of the Corporation.

(g) **Independence of Auditors**

At least annually, and before the auditors issue their report on the annual financial statements, the Audit Committee shall obtain from the auditors a formal written statement describing all relationships between the auditors and the Corporation; discuss with the auditors any disclosed relationships or services that may affect the objectivity and independence of the auditors; and obtain written confirmation from the auditors that they are objective and independent within the meaning of the applicable Rules of Professional Conduct/Code of Ethics adopted by the provincial institute or order of chartered accountants to which the auditors belong and other Applicable Requirements. The Audit Committee shall take appropriate action to oversee the independence of the auditors.

(h) Evaluation and Rotation of Lead Partner

At least annually, the Audit Committee shall review the qualifications and performance of the lead partner(s) of the auditors and determine whether it is appropriate to adopt or continue a policy of rotating lead partners of the external auditors.

(i) Requirement for Pre-Approval of Non-Audit Services

The Audit Committee shall approve in advance any retainer of the auditors to perform any non-audit service to the Corporation (together with all non-audit service fees) that it deems advisable in accordance with Applicable Requirements and Board approved policies and procedures. The Audit Committee shall consider the impact of such service and fees on the independence of the auditor. The Audit Committee may delegate pre-approval authority to a member of the Audit Committee. The decisions of any member of the Audit Committee to whom this authority has been delegated must be presented to the full Audit Committee at its next scheduled Audit Committee meeting.

(j) Approval of Hiring Policies

The Audit Committee shall review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Corporation.

(k) Financial Executives

The Committee shall review and discuss with management the appointment of key financial executives and recommend qualified candidates to the Board, as appropriate.

Internal Controls

(l) General

The Audit Committee shall review the Corporation's system of internal controls.

(m) Establishment, Review and Approval

The Audit Committee shall require management to implement and maintain appropriate systems of internal controls in accordance with Applicable Requirements, including internal controls over financial reporting and disclosure and to review, evaluate and approve these procedures. At least annually, the Audit Committee shall consider and review with management and the auditors:

- (i) the effectiveness of, or weaknesses or deficiencies in: the design or operation of the Corporation's internal controls (including computerized information system controls and security); the overall control environment for managing business risks; and accounting, financial and disclosure controls (including, without limitation, controls over financial reporting), non-financial controls, and legal and regulatory controls and the impact of any identified weaknesses in internal controls on management's conclusions;
- (ii) any significant changes in internal controls over financial reporting that are disclosed, or considered for disclosure, including those in the Corporation's periodic regulatory filings;
- (iii) any material issues raised by any inquiry or investigation by the Corporation's regulators;
- (iv) the Corporation's fraud prevention and detection program, including deficiencies in internal controls that may impact the integrity of financial information, or may expose the Corporation to other significant internal or external fraud losses and the extent of those losses and any disciplinary action in respect of fraud taken against management or other employees who have a significant role in financial reporting; and

- (v) any related significant issues and recommendations of the auditors together with management's responses thereto, including the timetable for implementation of recommendations to correct weaknesses in internal controls over financial reporting and disclosure controls.

Compliance with Legal and Regulatory Requirements

The Audit Committee shall review reports from the Corporation's Secretary and other management members on: legal or compliance matters that may have a material impact on the Corporation; the effectiveness of the Corporation's compliance policies; and any material communications received from regulators. The Audit Committee shall review management's evaluation of and representations relating to compliance with specific applicable law and guidance, and management's plans to remediate any deficiencies identified.

Audit Committee Hotline Whistleblower Procedures

The Audit Committee shall establish for (a) the receipt, retention, and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and (b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters. Any such complaints or concerns that are received shall be reviewed by the Audit Committee and, if the Audit Committee determines that the matter requires further investigation, it will direct the Chair of the Audit Committee to engage outside advisors, as necessary or appropriate, to investigate the matter and will work with management and the general counsel to reach a satisfactory conclusion.

Audit Committee Disclosure

The Audit Committee shall prepare, review and approve any audit committee disclosures required by Applicable Requirements in the Corporation's disclosure documents.

Delegation

The Audit Committee may, to the extent permissible by Applicable Requirements, designate a sub-committee to review any matter within this Mandate as the Audit Committee deems appropriate.

5. 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 Audit Committee, functions. 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.

6. Mandate Review

The Committee shall review and update this Mandate annually and present it to the Board for approval.