

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This prospectus supplement, together with the accompanying short form base shelf prospectus dated March 31, 2015 to which it relates (the "Prospectus") and each document incorporated by reference in the Prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws. Accordingly, these securities may not be offered or sold within the United States except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws. This prospectus supplement does not constitute an offer to sell or a solicitation of an offer to buy any of these securities within the United States of America. See "Plan of Distribution".

Information has been incorporated by reference in this prospectus supplement from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the secretary of the issuer at 161 Bay Street, Suite 4600, Toronto, Ontario, M5J 2S1, telephone (416) 386-1067, and are also available electronically at [www.sedar.com](http://www.sedar.com).

**PROSPECTUS SUPPLEMENT  
TO THE SHORT FORM BASE SHELF PROSPECTUS DATED MARCH 31, 2015**

New Issue

May 22, 2015

**ELEMENT FINANCIAL CORPORATION**



**\$1,850,450,000**

**108,850,000 Subscription Receipts, each representing the right to receive one Common Share**

**and**

**\$500,000,000**

**4.25% Extendible Convertible Unsecured Subordinated Debentures**

**and**

**\$150,000,000**

**6,000,000 6.50% Cumulative 5-Year Rate Reset Preferred Shares, Series G**

This prospectus supplement qualifies the distribution of: (i) 108,850,000 subscription receipts (the "Subscription Receipts") of Element Financial Corporation (the "Corporation" or "Element") at a price of \$17.00 per Subscription Receipt for aggregate gross proceeds to the Corporation of \$1,850,450,000; (ii) \$500,000,000 aggregate principal amount of 4.25% extendible convertible unsecured subordinated debentures of the Corporation (the "Debentures"); and (iii) 6,000,000 6.50% Cumulative 5-Year Rate Reset Preferred Shares, Series G of the Corporation (the "Series G Shares" and, together with the Subscription Receipts and the Debentures, the "Securities") (the "Offering").

**Subscription Receipts**

Each Subscription Receipt will evidence the holder's right to receive, upon the first closing of any announced transaction (an "Acquisition Closing") forming part of the Eligible Transaction (as defined herein), without payment of additional consideration or further action, one (1) common share in the capital of the Corporation (a "Common Share") in exchange for each Subscription Receipt. An "Eligible Transaction" shall be, either individually or collectively, the purchase or acquisition by the Corporation (or any of its affiliates) of one or more businesses or assets, pursuant to a transaction or series of transactions, via share purchase, asset purchase, merger, amalgamation, plan of arrangement or other similar transaction within the Corporation's business verticals, in which not less than 80% of the gross proceeds raised from the offering of Subscription Receipts and the offering of Debentures hereunder will be deployed in a transaction or series of transactions that have been announced within six months of the closing date of the Offering (the "Offering Closing").

The gross proceeds from the sale of the Subscription Receipts, net of 50% of the Underwriters' Fee for Subscription Receipts (as hereinafter defined) (the "Escrowed Funds"), will be held by Computershare Trust Company of Canada, as subscription receipt agent (the "Subscription Receipt Agent"), and invested in either an interest-bearing account with a Schedule I Canadian bank pending receipt of the Acquisition Notice (as hereinafter defined) or the Subscription Termination Date (as hereinafter defined), all pursuant to the terms of a subscription receipt agreement (the "Subscription Receipt

Agreement”) to be entered into on the Offering Closing among Element, the Subscription Receipt Agent and BMO Nesbitt Burns, Inc. (“BMO”), on its own behalf and for and on behalf of each of Barclays Capital Canada Inc. (“Barclays”), CIBC World Markets Inc. (“CIBC”), National Bank Financial Inc. (“NBF”), RBC Dominion Securities Inc. (“RBC”), TD Securities Inc. (“TD”), Credit Suisse Securities (Canada) Inc. (“CSS”), GMP Securities L.P. (“GMP”), Macquarie Capital Markets Canada Ltd. (“MCM”), Manulife Securities Incorporated (“MSI”), Cormark Securities Inc. (“Cormark”) and Desjardins Securities Inc. (“Desjardins”) (collectively, the “Subscription Receipt Underwriters”).

Provided that the Acquisition Notice is delivered on or prior to the Subscription Termination Date, the Escrowed Funds and the interest earned thereon (the “Earned Interest”) (less the remaining portion of the Underwriters’ Fee for Subscription Receipts to be paid) will be released to Element and each holder of a Subscription Receipt will receive one Common Share in exchange for each Subscription Receipt held, without payment of additional consideration or further action. See “Description of the Subscription Receipts”. Element will utilize the Escrowed Funds to pay a portion of the purchase price for an Eligible Transaction. See “Use of Proceeds”.

If: (i) the Corporation has not announced an Eligible Transaction within six months of the Offering Closing; (ii) the Acquisition Closing does not occur on or prior to December 31, 2015; or (iii) if prior to such times in (i) and (ii) the Corporation advises BMO, on behalf of the Subscription Receipt Underwriters, that an Acquisition Closing will not be completed (each such case being a “Termination Event” and the date upon which such event occurs is the “Subscription Termination Date”), starting on the fifth business day following such Subscription Termination Date, the Subscription Receipt Agent and the Corporation will return to holders of Subscription Receipts an amount per Subscription Receipt equal to the offering price of the Subscription Receipts plus a pro rata share of the Earned Interest and a pro rata share of the interest that would have otherwise been earned on the 50% of the Underwriters’ Fee for Subscription Receipts as if such amount had been held in escrow as part of the Escrowed Funds and not paid to the Subscription Receipt Underwriters on the Offering Closing (the “Deemed Interest”), net of any applicable withholding taxes. See “Description of the Subscription Receipts”.

### **Debentures**

The Debentures bear interest at an annual rate of 4.25% payable semi-annually, not in advance, on the last day of June and December in each year (an “Interest Payment Date”) commencing on December 31, 2015. The maturity date (the “Maturity Date”) for the Debentures will initially be the Debenture Termination Date (as hereinafter defined) (the “Initial Maturity Date”). If the Acquisition Closing occurs prior to the occurrence of the Debenture Termination Date, the Maturity Date for the Debentures will automatically be extended from the Initial Maturity Date to 5:00 p.m. (Toronto time) on June 30, 2020 (the “Final Maturity Date”). In the event that the Acquisition Closing does not occur prior to the Debenture Termination Date, the Debentures will mature on the Initial Maturity Date, pursuant to the terms of the Indenture (as defined herein) to be entered into on the Offering Closing among Element and the Indenture Trustee (as defined herein). See “Description of the Debentures—General”.

### **Debenture Conversion Privilege**

Each Debenture will be convertible into freely tradeable Common Shares at the option of the holder of a Debenture at any time after the Acquisition Closing and prior to 5:00 p.m. (Toronto time) on the Final Maturity Date or if called for redemption the last business day immediately preceding the date specified by the Corporation for redemption, at a conversion price of \$23.80 per Common Share (the “Conversion Price”), representing a conversion rate of approximately 42.0168 Common Shares per \$1,000 principal amount of Debentures, subject to adjustment in accordance with the Indenture. Holders converting their Debentures will be entitled to receive, in addition to the applicable number of Common Shares to be received on conversion, accrued and unpaid interest thereon in cash for the period from the last Interest Payment Date on their Debentures to, but excluding, the date of conversion. Further particulars concerning the conversion privilege, including provisions for the adjustment of the Conversion Price, are set out under “Description of the Debentures—Conversion Privilege”.

The Debentures may not be redeemed by the Corporation before June 30, 2018, except in certain limited circumstances following a Change of Control (as defined herein). On or after June 30, 2018 and prior to the Final Maturity Date, the Debentures may be redeemed by the Corporation, in whole or in part from time to time, on not more than 60 days’ and not less than 30 days’ prior notice, at a redemption price equal to the principal amount thereof plus accrued and unpaid interest thereon, provided that the volume weighted average trading price of the Common Shares on the TSX for the 20 consecutive days preceding the date on which the notice of redemption is given is not less than 125% of the Conversion Price. See “Description of the Debentures—Redemption and Purchase”.

Subject to required regulatory approvals and provided that there is not a current Debenture Event of Default (as defined herein), the Corporation may, at its option, on not more than 60 days’ and not less than 40 days’ prior notice, elect to satisfy its obligation to repay, in whole or in part, the principal amount of the Debentures which are to be redeemed or which have matured by issuing and delivering freely-tradeable Common Shares to the holders of the Debentures. Payment would be satisfied by delivering that number of freely-tradeable Common Shares obtained by dividing the principal amount of the Debentures to be redeemed or that have matured, as the case may be, by 95% of the Current Market Price of the Common Shares on the Redemption Date (as defined herein) or Maturity Date, as applicable. Any accrued and unpaid interest will be paid in cash. The Corporation will not be entitled to issue Common Shares to satisfy its payment obligations on the Initial Maturity Date. Further particulars of the interest, redemption, repurchase and maturity provisions of the Debentures are set out under “Description of the Debentures—Payment upon Redemption or Maturity”.

## Series G Shares

The holders of the Series G Shares will be entitled to receive fixed, cumulative, preferential cash dividends, if, as and when declared by the Corporation's board of directors (the "Board of Directors") for the initial period from and including the Offering Closing up to but excluding September 30, 2020 (the "Initial Fixed Rate Period") payable quarterly on the last Business Day (as defined herein) of March, June, September and December in each year at an annual rate of \$1.625 per Series G Share. The initial dividend, if declared, will be payable on September 30, 2015 and will be \$0.552 per Series G Share, based on the anticipated Offering Closing of May 29, 2015. See "Description of the Series G Shares".

For each five-year period after the Initial Fixed Rate Period (each, a "Subsequent Fixed Rate Period"), the holders of Series G Shares will be entitled to receive fixed, cumulative, preferential cash dividends, if, as and when declared by the Board of Directors, payable quarterly on the last Business Day of March, June, September and December in each year, in the amount per share per annum determined by multiplying the Annual Fixed Dividend Rate (as defined herein) applicable to such Subsequent Fixed Rate Period by \$25.00. The Annual Fixed Dividend Rate for the ensuing Subsequent Fixed Rate Period will be equal to the Government of Canada Yield (as defined herein) on the 30<sup>th</sup> day prior to the first day of such Subsequent Fixed Rate Period, plus 5.34%. See "Description of the Series G Shares".

### Option to Convert Series G Shares Into Series H Shares

Subject to the Corporation's right to redeem Series G Shares, the holders of Series G Shares will have the right, at their option, to convert any or all of their Series G Shares into Cumulative Floating Rate Preferred Shares, Series H (the "Series H Shares"), subject to certain conditions, on September 30, 2020 and on September 30 every five years thereafter. The holders of Series H Shares will be entitled to receive floating rate cumulative preferential cash dividends, if, as and when declared by the Board of Directors, payable quarterly on the last Business Day of March, June, September and December in each year (the initial quarterly dividend period and each subsequent quarterly dividend period is referred to as a "Quarterly Floating Rate Period"), in the amount per share determined by multiplying the applicable Quarterly Floating Dividend Rate (as defined herein) by \$25.00. The Quarterly Floating Dividend Rate will be equal to the sum of the T-Bill Rate (as defined herein) plus 5.34% (calculated on the basis of the actual number of days in the applicable Quarterly Floating Rate Period divided by 365) determined as of the 30<sup>th</sup> day prior to the first day of the applicable Quarterly Floating Rate Period. See "Description of the Series H Shares".

Subject to the provisions described under "Description of the Series G Shares – Restrictions on Dividends and Retirement of Shares", on September 30, 2020, and on September 30 every five years thereafter, the Corporation may, at its option, redeem all or any part of the then outstanding Series G Shares by the payment of an amount in cash for each Series G Share so redeemed of \$25.00 plus all accrued and unpaid dividends up to, but excluding, the date fixed for redemption. See "Description of the Series G Shares – Redemption".

The Series G Shares and Series H Shares do not have a fixed maturity date and, other than as described herein, are not redeemable at the option of the holders thereof. See "Risk Factors".

**Offering Price: \$17.00 per Subscription Receipt**

**Offering Price: \$1,000 per Debenture**

**Offering Price: \$25.00 per Series G Share**

	Price to the Public <sup>(1)</sup>	Underwriters' Fee <sup>(2)(3)(4)</sup>	Net Proceeds to the Corporation <sup>(2)(3)(4)(5)</sup>
Per Subscription Receipt	\$17.00	\$0.6375	\$16.3625
Total Subscription Receipts	\$1,850,450,000	\$69,391,875	\$1,781,058,125
Per Debenture	\$1,000	\$37.50	\$962.50
Total Debentures	\$500,000,000	\$18,750,000	\$481,250,000
Per Series G Shares	\$25.00	\$0.75	\$24.25
Total Series G Shares	\$150,000,000	\$4,500,000	\$145,500,000
Aggregate Subscription Receipts, Debentures and Series G Shares	\$2,500,450,000	\$92,641,875	\$2,407,808,125

- (1) The Corporation has granted to: (i) the Subscription Receipt Underwriters an over-allotment option to purchase on the same terms up to an additional 10,885,000 Subscription Receipts (or Common Shares, as the case may be) (the "Subscription Receipt Over-Allotment Option"); (ii) BMO, Barclays, CIBC, NBF, RBC, TD, CSS, GMP, MCM, Cormark, Desjardins and MSI (collectively, the "Debenture Underwriters") an over-allotment option to purchase on the same terms up to an additional \$75,000,000 aggregate principal amount of Debentures (the "Debenture Over-Allotment Option"); and (iii) BMO, CIBC, NBF, RBC, TD, GMP, Cormark, Desjardins, MCM and MSI (collectively the "Preferred Shares Underwriters") an over-allotment option to purchase on the same terms up to 900,000 additional Series G Shares (the "Series G Over-Allotment Option, and together with the Subscription Receipt Over-Allotment Option and the Debenture Over-Allotment Option, the "Over-Allotment Options"). The Subscription Receipt Over-Allotment Option and the Debenture Over-Allotment Option are exercisable at any time until the earlier of the date that is 30 days following the Offering Closing and the occurrence of either of the following: (x) the Corporation does not announce an Eligible Transaction within six months of the Offering Closing, (y) the Acquisition Closing does not

occur on or prior to December 31, 2015, or (z) the Corporation advises BMO, on behalf of the Underwriters, that the Acquisition Closing will not be completed (an “Underwriting Termination Event”). The Series G Over-Allotment Option is exercisable at any time until the date that is 30 days following the Offering Closing. If each of the Over-Allotment Options are exercised in full, the total “Price to the Public”, “Underwriters’ Fee” and “Net Proceeds to the Corporation”, before deducting expenses of the Offering, would be approximately \$2,782,995,000, \$103,068,563 and \$2,679,926,437, respectively. This prospectus supplement qualifies the grant of the Over-Allotment Options, as well as the distribution of the Subscription Receipts (or Common Shares, as the case may be), the Debentures and the Series G Shares issuable upon exercise of the Over-Allotment Options. A purchaser who acquires any of the Subscription Receipts (or Common Shares, as the case may be), Debentures or Series G Shares forming part of the Underwriters’ over-allocation position acquires such Subscription Receipts (or Common Shares, as the case may be), Debentures or Series G Shares under this prospectus supplement regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Options or secondary market purchases. See “Plan of Distribution”.

- (2) Element has agreed to pay the Subscription Receipt Underwriters a fee equal to \$0.6375 per Subscription Receipt (the “Underwriters’ Fee for Subscription Receipts”). The Underwriters’ Fee for Subscription Receipts is payable as to 50% upon the Offering Closing and 50% on the release of the Escrowed Funds to Element on the date of the Acquisition Closing. If the Eligible Transaction is not completed, the Underwriters’ Fee for Subscription Receipts will consist solely of the amount payable upon the Offering Closing.
- (3) Element has agreed to pay the Debenture Underwriters a fee equal to \$37.50 per Debenture (the “Underwriters’ Fee for Debentures”). The Underwriters’ Fee for Debentures is payable in full upon the Offering Closing.
- (4) Element has agreed to pay a fee equal to \$0.25 per Series G Share sold to institutions and \$0.75 per Series G Share on all other sales of Series G Shares (collectively, the “Underwriters’ Fee for Series G Shares”). The Underwriters’ Fee for Series G Shares is payable in full upon the Offering Closing. All figures relating to the Underwriters’ Fee for Series G Shares provided for in this prospectus supplement, including in the above chart, assumes a fee of \$0.75 per Series G Share will be paid.
- (5) Before deduction of expenses of the Offering payable by the Corporation, estimated at \$5,000,000, which will be paid from the general funds of Element.

The following table sets forth the number of Subscription Receipts, Debentures and Series G Shares that may be offered by the Corporation pursuant to the Over-Allotment Options:

<b><u>Underwriters’ Position</u></b>	<b><u>Maximum Size</u></b>	<b><u>Exercise Period</u></b>	<b><u>Exercise Price</u></b>
Subscription Receipt Over-Allotment Option	Option to acquire up to an additional 10,885,000 Subscription Receipts or Common Shares (as the case may be)	Commencing on the Offering Closing and ending not later than the earlier of (i) the 30 <sup>th</sup> day following the Offering Closing and (ii) the occurrence of an Underwriting Termination Event	\$17.00 per Subscription Receipt or Common Shares (as the case may be)
Debenture Over-Allotment Option	Option to acquire up to an additional \$75,000,000 principal amount of Debentures	Commencing on the Offering Closing and ending not later than the earlier of (i) the 30 <sup>th</sup> day following the Offering Closing and (ii) the occurrence of an Underwriting Termination Event	\$1,000 per Debenture
Series G Shares Over-Allotment Option	Option to acquire up to an additional 900,000 Series G Shares	Commencing on the Offering Closing and ending on the 30 <sup>th</sup> day following the Offering Closing	\$25.00 per Series G Share

The outstanding Common Shares are listed on the Toronto Stock Exchange (the “TSX”) under the trading symbol “EFN”. On May 19, 2015, the last full day of trading before the announcement of the Offering, the closing price of the Common Shares on the TSX was \$17.85. On May 21, 2015, the last trading day prior to the filing of this prospectus supplement, the closing price of the Common Shares on the TSX was \$17.73. Element’s outstanding Cumulative 5-Year Rate Reset Preferred Shares, Series A (the “Series A Shares”), Cumulative 5-Year Rate Reset Preferred Shares, Series C (the “Series C Shares”) and Cumulative 5-Year Rate Reset Preferred Shares, Series E (the “Series E Shares”) are listed on the TSX under the symbols “EFN.PR.A”, “EFN.PR.C” and “EFN.PR.E”, respectively. The closing price of the Series A Shares, the Series C Shares and the Series E Shares on the TSX on May 19, 2015, the last full day of trading before the announcement of the Offering, was \$24.69, \$24.85 and \$24.67, respectively. On May 21, 2015, the last trading day prior to the filing of this prospectus supplement, the closing price of the Series A Shares, the Series C Shares and the Series E Shares on the TSX was \$24.50, \$24.55 and \$24.50, respectively. Element’s outstanding 5.125% convertible unsecured subordinated debentures (the “2014 Debentures”), commenced trading on the TSX on June 18, 2014 and are listed on the TSX under the symbol “EFN.DB”. The closing price of the 2014 Debentures on the TSX on May 19, 2015, the last full day of trading before the announcement of the Offering, was \$122.50. On May 21, 2015, the last trading day prior to the filing of this prospectus supplement, the closing price of the 2014 Debentures on the TSX was \$122.59.

The TSX has conditionally approved the listing of each of the Securities (including the Securities forming part of the Over-Allotment Options and issuable upon exchange or conversion of the Securities). Listing is subject to the Corporation fulfilling all of the requirements of the TSX on or prior

to August 21, 2015. The offering price of the Subscription Receipts, Debentures and Series G Shares offered hereunder was determined by negotiation between Element and BMO on behalf of the Subscription Receipt Underwriters, the Debenture Underwriters and the Preferred Shares Underwriters (collectively, the “Underwriters”).

**There is currently no market through which the Subscription Receipts, Debentures and Series G Shares may be sold and purchasers may not be able to resell Subscription Receipts, Debentures and Series G Shares purchased under this prospectus supplement. This may affect the pricing of the Subscription Receipts, the Debentures and the Series G Shares in the secondary market, the transparency and availability of trading prices, the liquidity of the Subscription Receipts, the Debentures and the Series G Shares and the extent of issuer regulation. See “Risk Factors – Risks Relating Specifically to the Securities – There is currently no market through which the Securities may be sold”.**

The Underwriters, as principals, conditionally offer the Subscription Receipts, Debentures and Series G Shares, subject to prior sale, if, as and when issued by the Corporation and accepted by the Underwriters in accordance with the conditions contained in the underwriting agreement referred to under “Plan of Distribution”, and subject to approval of certain legal matters on behalf of the Corporation by Blake, Cassels & Graydon LLP and on behalf of the Underwriters by Osler, Hoskin & Harcourt LLP. See “Plan of Distribution”. In connection with the Offering, the Underwriters may over-allot or effect transactions which stabilize or maintain the market price of the Subscription Receipts and Debentures at a level above that which might otherwise prevail in the open market. Such transactions, if commenced, may be interrupted or discontinued at any time. See “Plan of Distribution”.

Purchasers will have the option of subscribing for Subscription Receipts, Debentures, Series G Shares or a combination thereof. Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that the Offering Closing will occur on May 29, 2015 or on such earlier or later date as the Corporation and BMO, on behalf of the Underwriters, may agree, but in any event no later than June 11, 2015.

The Subscription Receipts, Debentures and Series G Shares will be represented in either certificated or uncertificated form registered in the name of CDS Clearing and Depository Services Inc. (“CDS”) or its nominee and held by, or on behalf of, CDS, as depository for the participants of CDS. A purchaser of the Subscription Receipts, Debentures or Series G Shares will receive only a customer confirmation from the registered dealer who is a CDS participant and from or through whom the Securities are purchased. See “Description of the Subscription Receipts - Book-Entry, Delivery and Form of Debentures and Common Shares”, “Description of the Debentures - Book-Entry, Delivery and Form of Subscription Receipts and Common Shares” and “Description of the Series G Shares - Book-Entry, Delivery and Form of Series G Shares”.

**The Underwriters propose to offer the Subscription Receipts, the Debentures and the Series G Shares initially at the offering prices specified above. After a reasonable effort has been made to sell all of the Subscription Receipts, the Debentures and the Series G Shares at the price specified, the Underwriters may subsequently reduce the selling price to investors from time to time in order to sell any of the Subscription Receipts, the Debentures and the Series G Shares remaining unsold. Any such reduction will not affect the proceeds received by Element. See “Plan of Distribution”.**

Investors should rely only on the information contained in or incorporated by reference in this prospectus supplement. The Corporation has not authorized anyone to provide investors with different information. The Corporation is not offering the Securities in any jurisdiction in which the offer is not permitted. Investors should not assume that the information contained in this prospectus supplement is accurate as of any date other than the date of this prospectus supplement.

**An investment in the Securities is subject to certain risks. The risk factors included or incorporated by reference in this prospectus supplement should be carefully reviewed and considered by purchasers in connection with an investment in the Securities. See “Note Regarding Forward-Looking Statements” and “Risk Factors” in this prospectus supplement and in the AIF (as defined herein).**

The head and registered office of the Corporation is located at 161 Bay Street, Suite 4600, Toronto, Ontario, M5J 2S1. Unless otherwise specifically stated, all dollar amounts in this prospectus supplement are expressed in Canadian dollars.

Based on the provisions of the *Income Tax Act* (Canada) (together with the regulations thereunder, the “Tax Act”) in force as of the date hereof, (i) the Debentures, (ii) the Subscription Receipts, (iii) the Series G Shares, (iv) the Series H Shares, and (v) the Common Shares issuable pursuant to the terms of the Subscription Receipts or upon conversion, redemption or maturity of the Debentures, if issued on the date of this prospectus supplement, would be a qualified investment under the Tax Act for a trust governed by a registered retirement savings plan (“RRSP”), a registered retirement income fund (“RRIF”), a deferred profit sharing plan (“DPSP”) (other than, in the case of the Debentures, a DPSP to which contributions are made by the Corporation or by an employer with which the Corporation does not deal at arm’s length for the purposes of the Tax Act), a registered education savings plan (“RESP”), a registered disability savings plan (“RDSP”), or a tax-free savings account (“TFSA”), each as defined in the Tax Act (each a “Plan”) provided that, at the time of the acquisition by the Plan, (i) in the case of Subscription Receipts, either the Subscription Receipts are listed on a “designated stock exchange” as defined in the Tax Act, (which includes the TSX) at that time, or the Common Shares are listed on a designated stock exchange at that time and the Corporation is not, and deals at arm’s length with each person who is, an annuitant, a beneficiary, an employer or a subscriber under, or a holder of, such Plan; and (ii) in the case of Common Shares, Series G Shares, Series H Shares and Debentures, either such securities are listed on a designated stock exchange (which includes the TSX) or the Corporation is a “public corporation” as defined in the Tax Act.

BMO is a co-administrative agent of a \$1.90 billion Canadian securitization funding facility (the “Fleet Lease Receivables Securitization Facility”) pursuant to which the Corporation or its affiliates have transferred and will continue to transfer financial assets and related property or interests therein under an established securitization platform and the administrator of an asset backed conduit that is an investor in the Fleet Lease Receivables Securitization Facility. BMO is an affiliate of a Canadian Schedule I bank (i) that is a member of the lending syndicate to the Corporation under a US\$2.15 billion revolving credit facility (the “Senior Credit Facility”); (ii) that is a lender to a U.S. affiliate of the Corporation under a U.S. securitization funding facility; (iii) that is a hedge counterparty to the Fleet Lease Receivables Securitization Facility; and (iv) that guarantees the purchase commitments of an asset backed conduit administered by BMO that is an investor in the Fleet Lease Receivables Securitization Facility. In addition, CIBC, is an affiliate of a Canadian Schedule I bank (i) that is a member of the lending syndicate to the Corporation under the Senior Credit Facility; (ii) that is a co-administrative agent of the Fleet Lease Receivables Securitization Facility; (iii) that is an investor in the Fleet Lease Receivables Securitization Facility; (iv) that is the funding agent of asset backed conduits that are investors in the Fleet Lease Receivables Securitization Facility; and (v) that is a hedge counterparty to the Fleet Lease Receivables Securitization Facility. In addition, each of RBC and NBF is an affiliate of a Canadian Schedule I bank (i) that is a member of the lending syndicate to the Corporation under the Senior Credit Facility; and (ii) that is the funding agent of an asset backed conduit that is an investor in the Fleet Lease Receivables Securitization Facility. MSI is an affiliate of a Canadian life insurance company that is a lender to the Corporation under a term funding facility (the “Term Funding Facility”). In addition, each of Barclays, TD, and CSS are affiliates of Canadian chartered banks that are members of the lending syndicate to the Corporation under the Senior Credit Facility. In addition, Barclays, CIBC and RBC are affiliates of Canadian chartered banks that are lenders to a U.S. affiliate of the Corporation under a U.S. securitization funding facility.

Consequently, the Corporation may be considered a “connected issuer” to each of BMO, Barclays, CIBC, NBF, RBC, TD, CSS and MSI within the meaning of National Instrument 33-105 - *Underwriting Conflicts*. See “Relationship between Element and Certain Underwriters”.

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## **IMPORTANT NOTICE ABOUT INFORMATION IN THIS PROSPECTUS SUPPLEMENT AND THE ACCOMPANYING PROSPECTUS**

This document is in two parts. The first part is this prospectus supplement, which describes certain terms of the securities the Corporation is offering and adds to and updates certain information contained in the Prospectus and the documents incorporated by reference therein. The second part, the Prospectus, gives more general information, some of which may not apply to the Subscription Receipts, Debentures or Series G Shares offered hereunder. Defined terms or abbreviations used in this prospectus supplement that are not defined herein have the meanings ascribed thereto in the Prospectus.

You should rely only on the information contained in this prospectus supplement or incorporated by reference into the Prospectus. The Corporation has not, and the Underwriters have not, authorized anyone to provide you with different or additional information. The Corporation is not, and the Underwriters are not, making an offer to sell the Subscription Receipts, Debentures or Series G Shares in any jurisdiction where the offer or sale is not permitted. You should not assume that the information appearing in this prospectus supplement, the Prospectus or any documents incorporated by reference into the Prospectus, is accurate as of any date other than the date on the front of those documents as the Corporation's business, operating results, financial condition and prospects may have changed since that date.

### **NOTE REGARDING FORWARD-LOOKING STATEMENTS**

The Prospectus and this prospectus supplement and the documents incorporated by reference in the Prospectus contain certain forward-looking statements and forward-looking information which are based upon Element's current internal expectations, estimates, projections, assumptions and beliefs. 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. 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, the Prospectus and this prospectus supplement and the documents incorporated by reference in the Prospectus 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 the Prospectus and this prospectus supplement speak only as of the date of this prospectus supplement, the date of the Prospectus or as of the date specified in the documents incorporated by reference in the Prospectus.

Forward-looking statements and information in the Prospectus and in this prospectus supplement and the documents incorporated by reference in the Prospectus include, but are not limited to, statements with respect to:

- Element's expectations regarding its revenue, expenses and operations;
- Element's anticipated cash needs and needs for additional financing, including in connection with potential acquisitions;
- Element's intended use of proceeds from the Offering;
- Element's consideration and negotiation of potential acquisitions;
- Element's expectation regarding completion of, and timing for completion of, the Eligible Transaction;
- Element's anticipated effect of the Eligible Transaction on the financial performance of the Corporation;
- Element's integration of its acquisitions;
- Element's plans for and timing of expansion of its services;
- Element's future growth plans, including growth resulting from acquisitions;
- Element's expectations regarding its origination volumes;
- Element's ability to attract new customers and vendor relationships and develop and maintain relationships with existing customers;
- Element's anticipated delinquency rates and credit losses;
- Element's ability to attract and retain personnel;
- Element's expectations regarding its reduced reliance on third-party brokers for originations;
- Element's expectations regarding growth in certain verticals in which it operates;
- Element's competitive position and its expectations regarding competition; and
- anticipated trends and challenges in Element's business and the markets in which it operates.



Although Element 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. Neither Element nor the Underwriters can guarantee future results, levels of activity, performance or achievements. Moreover, neither Element, the Underwriters 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 Element's control, which could cause results to differ materially from those expressed in the forward-looking statements and information contained in the Prospectus and in this prospectus supplement and the documents incorporated by reference in the Prospectus include, but are not limited to:

- credit risks that may lead to unexpected losses;
- concentration of leases and loans to small and mid-sized companies that may carry more inherent risks;
- the availability of additional financing required to complete potential acquisitions, including the Eligible Transaction, may prove inadequate or may not be available on favourable terms;
- no acquisition which would qualify as an Eligible Transaction may become available within six months of the Offering Closing;
- the negotiation of potential acquisitions, including the Eligible Transaction, may prove unsuccessful;
- the concentration of leases and loans within a particular industry or region that may negatively impact Element's financial condition;
- risks relating to the integration of the Eligible Transaction with Element's existing business;
- Element's provision for credit losses that may prove inadequate;
- the collateral securing a loan or a lease that may not be sufficient;
- lack of funding that may limit Element's ability to originate leases;
- the concentration of debt financing sources that may increase Element's funding risks;
- global financial markets and general economic conditions that may adversely affect Element's results;
- Element's credit facilities that may limit its operational flexibility;
- changes in interest rates that may adversely affect Element's financial results;
- an unexpected increase in Element's borrowing costs that may adversely affect its earnings;
- a competitive business environment that may limit the growth of Element's business;
- competition for vendor equipment finance that may affect Element's relationships with vendors;
- loss of key personnel that may significantly harm Element's business;
- inability to realize benefits from growth (including growth related to acquisitions) that may harm Element's financial condition;
- the Corporation may redeem the Series G Shares and the Series H Shares;
- the Series G Shares and the Series H Shares do not have a fixed maturity date, may not be redeemed at the holder's option and may be liquidated by the holder only in limited circumstances;
- dividend rates on the Series G Shares and the Series H Shares will reset;
- investments in the Series H Shares, given their floating interest component, entail risks not associated with investments in the Series G Shares;
- the Series G Shares and the Series H Shares may be converted or redeemed without the holders' consent in certain circumstances;
- declaration of dividends on the Series G Shares and the Series H Shares is at the discretion of the Board of Directors and subject to applicable law;
- holders of the Series G Shares and the Series H Shares do not have voting rights except under limited circumstances;
- Element's ability to successfully compete in the U.S. equipment financing or U.S. fleet leasing marketplace;
- complications in managing acquisitions that may negatively affect Element's operating results;
- Element has a brief operating history and Element has incurred losses in the past and may not achieve profitability in future periods;
- the market for Common Shares may be volatile and subject to wide fluctuations in response to numerous factors;
- Element's quarterly net finance income and results of operations are difficult to forecast and may fluctuate substantially;
- litigation may negatively impact Element's financial condition; and
- the other factors considered under "Risk Factors" in the Prospectus and in this prospectus supplement and in the AIF, which is incorporated by reference in the Prospectus.

Readers are cautioned that the foregoing list of factors is not exhaustive. **The forward-looking statements contained in the Prospectus and in this prospectus supplement and the documents incorporated by reference in the Prospectus and this**

**prospectus supplement are expressly qualified by this cautionary statement. Neither Element nor the Underwriters are under any duty to update any of the forward-looking statements to conform such statements to actual results or to changes in Element's expectations except as otherwise required by applicable legislation.**

#### **DOCUMENTS INCORPORATED BY REFERENCE**

This prospectus supplement is deemed to be incorporated by reference into the Prospectus as of the date hereof and only for the purposes of the distribution of the Securities offered hereby. Other documents are also incorporated or deemed to be incorporated by reference into the Prospectus and reference should be made to the Prospectus for full details. See "Documents Incorporated by Reference" in the Prospectus. As of the date hereof, the following documents filed with the securities commissions or similar authorities in each of the provinces of Canada are specifically incorporated by reference into and form an integral part of the Prospectus and this prospectus supplement:

- (a) the template version of the term sheet for the Subscription Receipts offered pursuant to the Offering dated May 20, 2015 (the "Initial Subscription Receipt Marketing Materials");
- (b) the template version of the term sheet for the Debentures offered pursuant to the Offering dated May 20, 2015 (the "Debenture Marketing Materials");
- (c) the template version of the term sheet for the Series G Shares offered pursuant to the Offering dated May 20, 2015 (the "Series G Shares Marketing Materials");
- (d) the template version of the revised Initial Subscription Receipt Marketing Materials dated May 21 2015 (the "Revised Subscription Receipt Marketing Materials");
- (e) the annual information form of Element for the financial year ended December 31, 2014 dated March 27, 2015 (the "AIF");
- (f) the audited financial statements of Element and the notes thereto as at and for the financial year ended December 31, 2014, together with the report of the auditors thereon;
- (g) the management's discussion and analysis of financial condition and results of operations of Element for the financial year ended December 31, 2014, dated February 25, 2015 (the "Annual MD&A");
- (h) the interim financial statements of Element and the notes thereto for the three months ended March 31, 2015;
- (i) the management's discussion and analysis of financial condition and results of operations of Element for the three months ended March 31, 2015, dated May 13, 2015;
- (j) the business acquisition report of Element dated July 29, 2014 (the "PHH BAR") relating to the acquisition by Element of PHH Arval's fleet management services business and the financial statements contained therein;
- (k) the business acquisition report of Element dated September 10, 2014 relating to the acquisition of a tranche of Leases (as defined in the AIF) and Railcars (as defined in the AIF) under the Trinity Vendor Program (as defined in the AIF);
- (l) the business acquisition report of Element dated December 15, 2014 relating to the acquisition of a tranche of Leases and Railcars under the Trinity Vendor Program;
- (m) the business acquisition report of Element dated March 4, 2015 relating to the acquisition of a tranche of Leases and Railcars under the Trinity Vendor Program; and
- (n) the management information circular of Element dated May 13, 2015 in connection with the annual meeting of the shareholders of Element to be held on June 15, 2015.

Any documents of the type required by National Instrument 44-101 – *Short Form Prospectus Distributions* to be incorporated by reference in a short form prospectus, including those types of documents referred to above and press releases issued by Element referencing incorporation by reference into this prospectus supplement, if filed by Element with the provincial securities commissions or similar authorities in Canada after the date of this prospectus supplement and prior to the completion or termination of the Offering shall be deemed to be incorporated by reference into the Prospectus for purposes of the Offering.

Documents referenced in any of the documents incorporated by reference in this prospectus supplement but not expressly incorporated by reference therein or herein and not otherwise required to be incorporated by reference therein or in this prospectus supplement are not incorporated by reference in this prospectus supplement. These documents are available through the internet on the System for Electronic Document Analysis and Retrieval (“SEDAR”) which can be accessed at [www.sedar.com](http://www.sedar.com).

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

Copies of the documents incorporated herein by reference may be obtained on request without charge from the Senior Vice President, General Counsel & Corporate Secretary of Element at 161 Bay Street, Suite 4600, Toronto, Ontario, M5J 2S1, telephone: (416) 386-1067.

### **MARKETING MATERIALS**

Any “template version” of any “marketing materials” (as such terms are defined in the *Securities Act* (Ontario)) that are utilized by the Underwriters in connection with the Offering are not part of this prospectus supplement or the Prospectus to the extent that the contents of the template version of the marketing materials have been modified or superseded by a statement contained in the prospectus supplement or any amendment. The Initial Subscription Receipt Marketing Materials have been modified by the Revised Subscription Receipt Marketing Materials to reflect the upsize of the offering of Subscription Receipts from an aggregate offering amount of \$1,550,400,000 to \$1,850,450,000. The Corporation has prepared the Marketing Materials and the Revised Subscription Receipt Marketing Materials, which have been blacklined against the Initial Subscription Receipt Marketing Materials to reflect these modifications, and can be viewed under the Corporation’s SEDAR profile at [www.sedar.com](http://www.sedar.com). The Investor Presentation can be viewed under the Corporation’s SEDAR profile at [www.sedar.com](http://www.sedar.com).

Any template version of any marketing materials that has been, or will be, filed on SEDAR after the date hereof but prior to the termination of the distribution under the Offering (including any amendments to, or an amended version of, any template version of any marketing materials) is deemed to be incorporated by reference herein and in the Prospectus.

### **ELEMENT FINANCIAL CORPORATION**

Element is an independent financial services company that originates, co-invests in and manages asset-based financings and related service programs with operations in both Canada and the United States.

For a description of Element’s business and its recent developments, see the sections titled “General Development of the Business” and “Description of the Business” in Element’s AIF and the section titled “Overview” in Element’s Annual MD&A. Both the AIF and the Annual MD&A are incorporated by reference into this prospectus supplement and into the Prospectus.

### **CONSOLIDATED CAPITALIZATION**

The following table sets forth the consolidated capitalization of Element effective March 31, 2015: (i) prior to the Offering; and (ii) after giving effect to the Offering (assuming no exercise of the Over-Allotment Options and including expenses of the Offering). This table is presented and should be read in conjunction with the unaudited interim financial statements of Element and the notes thereto for the three months ended March 31, 2015.

<u>Designation</u>	<u>Outstanding as at March 31, 2015 prior to giving effect to the Offering</u>	<u>Outstanding as at March 31, 2015 after giving effect to the Offering</u>
Cash .....	\$19,763	\$2,427,571
<b>Debt</b>		
Accounts payable and accrued liabilities .....	\$324,987	\$329,987
Secured borrowings.....	\$8,790,235	\$8,790,235
Convertible Debentures.....	\$305,140	\$748,619
Total Debt.....	\$9,420,362	\$9,868,841
<b>Shareholders' Equity</b>		
Common Shares.....	\$2,693,524	\$4,508,353
Preferred Shares.....	\$365,113	\$509,613
Total shareholders' equity .....	\$3,058,637	\$5,017,966
<b>Total capitalization</b> .....	<b>\$12,478,999</b>	<b>\$14,886,807</b>

### TRADING PRICE AND VOLUME

The Common Shares are currently listed on the TSX under the trading symbol “EFN” and commenced trading on the TSX on December 16, 2011. The following table sets forth the reported intraday high and low prices and the trading volume for the Common Shares on the TSX for the 12-month period prior to the date of this prospectus supplement.

<u>Month</u>	<u>High (\$)</u>	<u>Low (\$)</u>	<u>Volume</u>
<b>2015</b>			
May (1 - 21)	18.09	16.85	20,029,211
April	18.01	16.62	19,503,129
March	17.15	15.61	22,805,274
February	16.28	13.34	24,547,828
January	14.35	13.22	19,706,490
<b>2014</b>			
December	14.65	12.85	26,088,018
November	14.85	12.93	15,467,618
October	13.61	11.50	19,852,012
September	14.58	12.97	22,185,012
August	15.00	13.36	16,188,518
July	14.89	13.11	28,899,421
June	13.66	12.56	45,238,421
May	14.20	12.92	26,709,684

On May 19, 2015, the last full trading day prior to the announcement of the Offering, the closing price of the Common Shares on the TSX was \$17.85. On May 21, 2015 the last full trading day prior to the filing of this prospectus supplement, the closing price of the Common Shares on the TSX was \$17.73.

#### Series A Shares

The Series A Shares are currently listed on the TSX under the trading symbol “EFN.PR.A” and commenced trading on the TSX on December 17, 2013. The following table sets forth the reported intraday high and low prices and the trading volume for the Series A Shares on the TSX for the 12-month period prior to the date of this prospectus supplement.

<u>Month</u>	<u>High (\$)</u>	<u>Low (\$)</u>	<u>Volume</u>
<b>2015</b>			
May (1 - 21)	25.00	24.26	103,655
April	25.00	24.25	135,494
March	25.58	24.89	320,278
February	25.62	25.07	38,055

January	25.80	25.41	42,872
<b><u>2014</u></b>			
December	26.16	25.18	37,164
November	26.33	25.77	28,021
October	26.37	25.42	45,620
September	26.97	25.72	91,524
August	26.50	25.36	397,120
July	25.60	25.30	188,600
June	25.75	25.03	139,503
May	25.17	25.02	195,351

On May 19, 2015, the last full trading day prior to the announcement of the Offering, the closing price of the Series A Shares on the TSX was \$24.69. On May 21, 2015 the last full trading day prior to the filing of this prospectus supplement, the closing price of the Series A Shares on the TSX was \$24.50.

### Series C Shares

The Series C Shares are currently listed on the TSX under the trading symbol “EFN.PR.C” and commenced trading on the TSX on March 7, 2014. 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 12-month period prior to the date of this prospectus supplement.

<b><u>Month</u></b>	<b><u>High (\$)</u></b>	<b><u>Low (\$)</u></b>	<b><u>Volume</u></b>
<b><u>2015</u></b>			
May (1 - 21)	25.00	24.40	91,292
April	25.15	24.26	204,365
March	25.59	24.88	207,945
February	25.50	25.01	82,941
January	25.64	25.11	79,203
<b><u>2014</u></b>			
December	26.01	24.79	97,216
November	26.22	25.21	58,324
October	25.93	25.38	83,425
September	26.25	25.65	101,815
August	25.91	25.25	130,340
July	25.59	25.14	139,502
June	25.19	24.79	246,282
May	25.25	24.95	217,224

On May 19, 2015, the last full trading day prior to the announcement of the Offering, the closing price of the Series C Shares on the TSX was \$24.85. On May 21, 2015 the last full trading day prior to the filing of this prospectus supplement, the closing price of the Series C Shares on the TSX was \$24.55.

### Series E Shares

The Series E Shares are currently listed on the TSX under the trading symbol “EFN.PR.E” and commenced trading on the TSX on June 18, 2014. The following table sets forth the reported intraday high and low prices and the trading volume for the Series E Shares on the TSX since trading commenced.

<b><u>Month</u></b>	<b><u>High (\$)</u></b>	<b><u>Low (\$)</u></b>	<b><u>Volume</u></b>
<b><u>2015</u></b>			
May (1 - 21)	24.99	24.39	31,743
April	25.10	24.30	93,551
March	25.49	24.88	68,499
February	25.50	25.02	55,670
January	25.50	25.00	60,295
<b><u>2014</u></b>			

December	25.90	25.00	74,329
November	26.01	25.54	66,288
October	25.84	25.30	122,284
September	26.12	25.40	126,710
August	25.94	25.15	155,710
July	25.69	25.00	192,917
June	25.08	24.76	569,305

On May 19, 2015, the last full trading day prior to the announcement of the Offering, the closing price of the Series E Shares on the TSX was \$24.67. On May 21, 2015 the last full trading day prior to the filing of this prospectus supplement, the closing price of the Series E Shares on the TSX was \$24.50.

## 2014 Debentures

The 2014 Debentures are currently listed on the TSX under the trading symbol “EFN.DB” and commenced trading on the TSX on June 18, 2014. The following table sets forth the reported intraday high and low prices and the trading volume for the 2014 Debentures on the TSX since trading commenced.

<u>Month</u>	<u>High (\$)</u>	<u>Low (\$)</u>	<u>Volume</u>
<b><u>2015</u></b>			
May (1 - 21)	123.29	118.75	13,261
April	123.75	119.50	16,086
March	120.53	115.29	11,625
February	118.12	109.99	19,748
January	111.68	107.00	13,045
<b><u>2014</u></b>			
December	111.70	107.08	6,238
November	113.26	107.80	12,795
October	111.79	104.00	6,102
September	112.55	107.99	17,565
August	113.52	109.00	5,346
July	114.00	108.25	42,092
June	108.86	104.25	81,278

On May 19, 2015, the last full trading day prior to the announcement of the Offering, the closing price of the 2014 Debentures on the TSX was \$122.50. On May 21, 2015 the last full trading day prior to the filing of this prospectus supplement, the closing price of the 2014 Debentures on the TSX was \$122.59.

## PRIOR SALES

### Common Shares

The following table provides details regarding all Common Shares or securities convertible into Common Shares (including Common Shares issuable pursuant to the exercise of previously granted stock options under the Corporation's stock option plan), that have been issued by the Corporation during the 12-month period preceding the date of this prospectus supplement:

<u>Description of Transaction</u>	<u>Date of Issuance</u>	<u>Aggregate Number and Type of Securities Issued</u>	<u>Issue Price/Exercise Price Per Security</u>
Grant of Stock Options	June 5, 2014	952,000 Stock Options	\$13.24
Public Offering of Subscription Receipts	June 18, 2014	74,416,500 subscription receipts <sup>(1)</sup>	\$12.75
Public Offering of Convertible Debentures	June 18, 2014	345,000 2014 Debentures <sup>(2)</sup>	\$1,000
Exercise of Stock Options	August 20, 2014	109,322 Common Shares	\$4.00
Exercise of Stock Options	August 14, 2014 – April 27, 2015 <sup>(3)</sup>	220,235 Common Shares	\$4.79
Grant of Stock Options	August 15, 2014	1,107,574 Stock Options	\$14.83
Grant of Stock Options	November 17, 2014	610,000 Stock Options	\$13.88
Grant of Stock Options	December 22, 2014	50,000 Stock Options	\$14.26
Grant of Stock Options	February 27, 2015	6,528,043 Stock Options	\$15.93

*Notes:*

- (1) On June 18, 2014 Element issued 74,416,500 subscription receipts in connection with its acquisition of PHH Arval's fleet management services business. On July 7, 2014, these subscription receipts were exchanged into Common Shares.
- (2) On June 18, 2014 Element issued \$345,000,000 aggregate principal amount of 2014 Debentures in connection with its acquisition of PHH Arval's fleet management services business.
- (3) Various employee stock options were exercised between August 14, 2014 and April 27, 2015.

### Preferred Shares

On June 18, 2014, Element issued 5,000,000 Series E Shares at a price of \$25.00 per Series E Share. On July 8, 2014 Element issued 321,900 Series E Shares at a price of \$25.00 per Series E Share pursuant to the exercise of the over-allotment option.

### 2014 Debentures

On June 18, 2014, Element issued \$345,000,000 aggregate principal amount of 2014 Debentures.

## USE OF PROCEEDS

The net proceeds to the Corporation from the sale of Securities under this prospectus supplement are estimated to be approximately \$2.5 billion (\$2.78 if the Over-Allotment Options are exercised in full) after deduction of the Underwriters' Fee, but before deducting the expenses of this Offering, estimated to be \$5,000,000. See "Plan of Distribution". The Corporation intends to use the net proceeds of the Offering to fund future acquisitions. While the Corporation is regularly engaged in discussions regarding possible acquisition opportunities, the Corporation has not entered into any definitive agreement for an acquisition requiring the use of the net proceeds of the Offering. The Corporation expects to continue to pursue discussions regarding possible acquisitions and to enter into negotiations with respect to such potential acquisitions and to actively pursue other acquisition opportunities that present themselves or become available. However, there can be no assurance that any of these discussions or negotiations will result in a definitive agreement and, if they do, what the terms or timing of any such acquisitions would be or that such acquisitions will be completed by the Corporation. As a result, the net proceeds of this Offering remain unallocated and there is no assurance as to how such funds may be expended. See "Risk Factors".

Depending on the nature and terms of a potential acquisition the Corporation may require financing in addition to the net proceeds of this Offering (including on any exercise of the Over-Allotment Options) in connection with entering into such acquisition. There can be no assurances that such financing sources will be available as and when needed or on favourable terms to the Corporation and such

financing may include one or more additional issuances of equity securities or securities convertible into equity securities. See “Risk Factors”.

If the Eligible Transaction is not announced and an Acquisition Closing does not occur within six months from the date of the Offering Closing, the net proceeds from the issuance and sale of Series G Shares will be used to originate, directly or indirectly, finance assets within its four business verticals and for general corporate purposes.

### **DESCRIPTION OF THE SUBSCRIPTION RECEIPTS**

The following is a summary of the material attributes and characteristics of the Subscription Receipts. This summary does not purport to be complete and is subject to, and qualified in its entirety by reference to the terms of the Subscription Receipt Agreement.

#### **Escrowed Funds**

The Escrowed Funds will be delivered to and held by the Subscription Receipt Agent and invested in an interest-bearing account with a Schedule I Canadian bank as directed in writing jointly by the Corporation and BMO (on behalf of itself and the other Subscription Receipt Underwriters), pending the earlier of the receipt of the Acquisition Notice and the occurrence of a Termination Event. If at any time the Escrowed Funds include cash that is not invested and the Subscription Receipt Agent has not been provided with directions, such amounts shall remain in the Subscription Receipt Agent’s non-interest bearing trust account. Provided that the Acquisition Notice is provided prior to the Subscription Termination Date, the Escrowed Funds, together with Earned Interest, will be released to the Corporation and the Common Shares will be issued to holders of Subscription Receipts who will receive, without payment of additional consideration or further action, one (1) Common Share for each Subscription Receipt held, plus any additional amounts as described below.

#### **Terms of Subscription Receipts**

Each Subscription Receipt will evidence the holder’s right to receive, upon an Acquisition Closing forming part of the Eligible Transaction without payment of additional consideration or further action, one (1) Common Share in exchange for each Subscription Receipt. An “Eligible Transaction” shall be, either individually or collectively, the purchase or acquisition by the Corporation (or any of its affiliates) of one or more businesses or assets, pursuant to a transaction or series of transactions, via share purchase, asset purchase, merger, amalgamation, plan of arrangement or other similar transaction within the Corporation’s business verticals, in which not less than 80% of the gross proceeds raised from the offering of Subscription Receipts and the offering of Debentures hereunder will be deployed in a transaction or series of transactions that have been announced within six months of the Offering Closing.

If the satisfaction or waiver of all conditions precedent to the completion of an Eligible Transaction in accordance with the terms of the definitive documentation among the parties in respect of such Eligible Transaction, but for the payment of the purchase price and other amounts to be satisfied in part by the release of the Escrowed Funds, occurs prior to the Subscription Termination Date, the Corporation will forthwith (and in any event no later than the date of the Acquisition Closing) execute and deliver a notice (the “Acquisition Notice”) thereof to the Subscription Receipt Agent and BMO, on behalf of the Subscription Receipt Underwriters. At this time, the Subscription Receipts shall be deemed to be automatically exchanged for no additional consideration and without further action for one (1) Common Share for each Subscription Receipt then outstanding. As soon as practicable following the sending of the Acquisition Notice, the Corporation will issue a press release disclosing that the Acquisition Closing has been completed, the automatic exchange of the Subscription Receipts and that the Common Shares have been issued. At such time, the holders of Subscription Receipts will receive, without payment of additional consideration or further action, one (1) Common Share for each Subscription Receipt. Forthwith upon the Acquisition Notice being delivered to the Subscription Receipt Agent, the Escrowed Funds, together with any Earned Interest, less 50% of the Underwriters’ Fee for Subscription Receipts and any applicable withholding taxes, will be released to the Corporation and 50% of the Underwriters’ Fee for Subscription Receipts will be remitted to, or otherwise at the direction of, BMO, on behalf of the Subscription Receipt Underwriters.

If the Acquisition Notice has not been received by the Subscription Receipt Agent on or prior to the Subscription Termination Date or if the Corporation declares bankruptcy or becomes insolvent, the subscription evidenced by each Subscription Receipt will be automatically terminated and cancelled and each Subscription Receipt will entitle the holder thereof to receive an amount equal to the full subscription price and its pro rata share of any Earned Interest and Deemed Interest, less applicable withholding taxes, if any, within five business days of the Subscription Termination Date. For greater certainty, despite the fact that 50% of the Underwriters’ Fee for Subscription Receipts will be paid by the Corporation to the Subscription Receipt Underwriters upon the Offering Closing, the Corporation will nonetheless, following a Termination Event, be responsible to ensure that each holder of a Subscription Receipt



receives an amount equal to the full subscription price and his or her pro rata share of any Earned Interest and Deemed Interest, less applicable withholding taxes, if any, as described above.

### **Contractual Right of Rescission**

Under the Subscription Receipt Agreement, a purchaser of Subscription Receipts to whom the prospectus supplement was sent or delivered and who was the original purchaser of the Subscription Receipts (collectively, the “Original Purchasers”), will have a non-assignable contractual right of rescission entitling the purchaser to receive the amount paid for the Subscription Receipts upon surrender of the Subscription Receipts or the Common Shares, as applicable, if the Prospectus and any amendment contains a misrepresentation, as such term is defined in the *Securities Act* (Ontario), provided such remedy for rescission is exercised within 180 days of the Offering Closing. This contractual right of rescission shall be subject to the defences, limitations and other provisions described under part XXIII of the *Securities Act* (Ontario), and is in addition to any other right or remedy available to original purchasers of Subscription Receipts under section 130 of the *Securities Act* (Ontario) or otherwise at law. For greater certainty, this contractual right of rescission under the Subscription Receipt Agreement is only in connection with a misrepresentation (within the meaning of the *Securities Act* (Ontario)) and is not a right to withdraw from an agreement to purchase securities within two business days as provided in securities legislation in certain provinces of Canada. In no event shall the Corporation be liable if the Original Purchaser purchased the Subscription Receipts with knowledge of the misrepresentation.

### **Amendments, Modifications or Alterations**

From time to time while the Subscription Receipts are outstanding, the Corporation and the Subscription Receipt Agent, without the consent of the holders of the Subscription Receipts, may amend or supplement the Subscription Receipt Agreement for certain purposes, including making any change that, in the opinion of the Subscription Receipt Agent, does not prejudice the rights of the holders of Subscription Receipts. The Subscription Receipt Agreement provides for other modifications and alterations thereto (including any extension of the outside date for completion of an Eligible Transaction) and to the Subscription Receipts issued thereunder by way of an extraordinary resolution. The term “extraordinary resolution” is defined in the Subscription Receipt Agreement to mean a resolution passed by the affirmative votes of the holders of not less than 66 2/3% of the number of outstanding Subscription Receipts represented and voting at a meeting of Subscription Receipt holders holding, in the aggregate, not less than 25% of the total number of Subscription Receipts then outstanding or an instrument or instruments in writing signed by the holders of not less than 66 2/3% of the number of outstanding Subscription Receipts.

### **Book-Entry, Delivery and Form of Subscription Receipts and Common Shares**

The Subscription Receipts may be represented in either certificated or uncertificated form registered in the name of CDS or its nominee and held by, or on behalf of, CDS, as depository of the Subscription Receipt certificates for the participants of CDS (a “CDS-Registered Subscription Receipt Certificate”).

Each purchaser acquiring a beneficial interest in a Subscription Receipt represented by a CDS-Registered Subscription Receipt Certificate will receive a customer confirmation of purchase from the Underwriter from whom the beneficial interest is purchased in accordance with the practices and procedures of the selling Underwriter. Registration of ownership and transfers of Subscription Receipts represented by a CDS-Registered Subscription Receipt Certificate may be effected through the book-based system administered by CDS or its nominees (with respect to interests of participants of CDS) and on the records of participants of CDS (with respect to interests of persons other than participants of CDS). The ability of an owner of a beneficial interest in a Subscription Receipt represented by a CDS-Registered Subscription Receipt Certificate to pledge such Subscription Receipt or otherwise take action with respect to such owner’s interest in such Subscription Receipt (other than through a CDS participant) may be limited due to the lack of a physical certificate.

Common Shares issued upon the exchange of the Subscription Receipts will be delivered electronically through the non-certificated inventory (“NCI”) system of CDS. On the date of the Acquisition Closing, the Corporation, via its transfer agent, will electronically deliver the Common Shares registered to CDS or its nominee. Transfers of ownership of Common Shares in Canada must be effected through a CDS participant, which includes securities brokers and dealers, banks and trust companies. All rights of shareholders who hold Common Shares in CDS must be exercised through, and all payments or other property to which such shareholders are entitled, will be made or delivered by CDS or the CDS participant through which the shareholder holds such Common Shares. A holder of a Common Share participating in the NCI system will not be entitled to a certificate or other instrument from the Corporation or the Corporation’s transfer agent evidencing that person’s interest in or ownership of Common Shares, nor, to the extent applicable, will such holder be shown on the records maintained by CDS, except through an agent who is a CDS participant. The ability of a beneficial

owner of Common Shares to pledge such Common Shares or otherwise take action with respect to such owner's interest in such Common Shares (other than through a CDS participant) may be limited due to the lack of a physical certificate.

### **Holders of Subscription Receipts are Not Shareholders**

Holders of Subscription Receipts are not shareholders of the Corporation and will not have any voting or pre-emptive rights or other rights as shareholders, including any direct or indirect entitlement whatsoever relating to or arising from any dividends declared or paid on the Common Shares prior to the Eligible Transaction. From and after the date of the Acquisition Closing, the former holders of Subscription Receipts will be entitled as holders of Common Shares to receive dividends from the Corporation, to vote and to all other rights available to holders of Common Shares.

## **DESCRIPTION OF THE DEBENTURES**

The Debentures will be issued under an indenture (the "Indenture") between the Corporation and Computershare Trust Company of Canada, as debenture trustee (the "Debenture Trustee"). The following description of the Debentures is a summary of their material attributes and characteristics which does not purport to be complete and is qualified in its entirety by reference to the Indenture. The following summary uses words and terms which will be defined in the Indenture. For full particulars, reference is made to the Indenture.

### **General**

The Debentures will be issued under and pursuant to the provisions of the Indenture to be entered into between the Corporation and the Debenture Trustee. The Debentures will be limited to an aggregate principal amount of \$500 million (or \$575 million if the Over-Allotment Options are exercised in full).

The Debentures will be dated as of the date of the Offering Closing (or, as applicable, the date or dates of closing of the exercise of the Over-Allotment Options). The Debentures will be issuable only in denominations of \$1,000 and integral multiples thereof. If: (i) the Corporation has not announced an Eligible Transaction within six months of the Offering Closing; (ii) the Acquisition Closing does not occur on or prior to December 31, 2015; or (iii) if prior to such times in (i) and (ii), the Corporation advises BMO (on behalf of the Debenture Underwriters) that an Acquisition Closing will not be completed (in each such case, a "Debenture Termination Event" and the date upon which such event occurs, the "Debenture Termination Date"), the Debentures will have an Initial Maturity Date of the Debenture Termination Date and holders of the Debentures will receive, on the second business day following the Initial Maturity Date, an amount equal to the issue price of the Debentures, plus the accrued and unpaid interest thereon up to, but excluding, the Initial Maturity Date.

The Maturity Date will be automatically extended from the Initial Maturity Date to June 30, 2020 (the "Final Maturity Date") if: (1) the Corporation has announced an Eligible Transaction within six months of the Offering Closing; and (2) the Corporation has completed an Acquisition Closing on or prior to December 31, 2015.

At the Offering Closing, the Debentures will be available for delivery only in book-entry form through the facilities of CDS. Holders of beneficial interests in the Debentures will not have the right to receive physical certificates evidencing their ownership of Debentures except under certain circumstances described under "Description of the Debentures — Book-Entry, Delivery and Form of Debentures and Common Shares".

The Debentures will bear interest from the date of issue at 4.25% per annum, which will be payable semi-annually on the last day of June and December in each year, commencing on December 31, 2015, computed on the basis of a 360-day year composed of twelve 30-day months. The first payment will represent accrued interest for the period from the date of the Offering Closing up to, but excluding December 31, 2015. Interest on the Debentures will be payable in lawful money of Canada as specified in the Indenture. Subject to any required regulatory approval and provided no Debenture Event of Default has occurred and is continuing, the Corporation shall have the option, after the Acquisition Closing, to pay such interest by delivering a number of Common Shares to the Debenture Trustee for sale, in which event holders of the Debentures will be entitled to receive a cash payment equal to the interest owed from the proceeds of the sale of the requisite number of Common Shares by the Debenture Trustee. See "Description of the Debentures — Interest Payment Election" below. The Indenture will not contain a requirement for the Corporation to increase the amount of interest or other payments to holders of Debentures should the Corporation become required to withhold amounts in respect of income or similar taxes on payment of interest or other amounts.

Principal on the Debentures will be payable in lawful money of Canada or, at the Corporation's option and subject to applicable regulatory approval, by delivery of freely tradeable Common Shares to satisfy in whole or in part the Corporation's obligation to repay principal under the Debentures, as further described under "Description of the Debentures — Payment upon Redemption or Maturity" and "Description of the Debentures — Redemption and Purchase".

The Debentures will be the Corporation's direct obligations and will not be secured by any mortgage, pledge, hypothec or other charge and will be subordinated to the Corporation's other liabilities, as described under "Description of the Debentures — Subordination". The Indenture will not restrict the Corporation from incurring additional indebtedness or from mortgaging, pledging or charging its assets to secure any indebtedness. The Debentures will be transferable, and may be presented for conversion, at the principal offices of the Debenture Trustee in Toronto, Ontario.

### **Conversion Privilege**

The Debentures will be convertible at the holder's option into fully paid, non-assessable and freely tradeable Common Shares at any time after the completion of an Acquisition Closing and prior to 5:00 p.m. (Toronto time) on the Final Maturity Date or if called for redemption the last business day immediately preceding the date specified by the Corporation for redemption, at a Conversion Price of \$23.80 per Common Share, representing a ratio of approximately 42.0168 Common Shares per \$1,000 principal amount of Debentures, subject to adjustment in accordance with the Indenture. Holders converting their Debentures will be entitled to receive, in addition to the applicable number of Common Shares to be received on conversion, accrued and unpaid interest thereon in cash for the period from the last Interest Payment Date on their Debentures to, but excluding, the date of conversion.

Holders converting their Debentures will become holders of record of Common Shares on the date of conversion provided that, if a Debenture is surrendered for conversion on a day on which the register of Common Shares is closed, the person entitled to receive Common Shares shall become the holder of record of such Common Shares as at the date on which such register is next reopened. Notwithstanding the foregoing, no Debentures may be converted on an Interest Payment Date or during the five business days preceding an Interest Payment Date, as the registers of the Debenture Trustee will be closed during such periods.

Subject to the provisions thereof, the Indenture will provide for the adjustment of the Conversion Price in certain events including: (i) the subdivision or consolidation of the outstanding Common Shares; (ii) the issuance of Common Shares or securities convertible into Common Shares by way of stock dividend or otherwise; (iii) the issuance of options, rights or warrants to all or substantially all the holders of Common Shares entitling them to acquire Common Shares or other securities convertible into Common Shares at less than 95% of the then Current Market Price of the Common Shares; and (iv) the distribution to all holders of Common Shares of any cash dividend or distribution or other property or assets distributed in lieu of cash dividends paid in the ordinary course.

"Current Market Price" means the volume-weighted average trading price per Common Share for the 20 consecutive trading days ending on the fifth trading day preceding the date of determination on the TSX (or, if the Common Shares are not listed thereon, on such stock exchange on which the Common Shares are listed as may be selected for such purpose by or at the direction or on behalf of the directors of the Corporation and approved by the Debenture Trustee, or if the Common Shares are not listed on any stock exchange, then on the over-the-counter market). The volume-weighted average trading price shall be determined by dividing the aggregate sale price of all Common Shares sold on the said exchange or market, as the case may be, during the said 20 consecutive trading days by the total number of Common Shares, as the case may be, so sold.

There will be no adjustment of the Conversion Price in respect of any event described in (ii), (iii) or (iv) above if, subject to prior regulatory approval (if required), the holders of the Debentures are allowed to participate as though they had converted their Debentures prior to the applicable record date or effective date.

The Corporation will not be required to make adjustments in the Conversion Price unless the cumulative effect of such adjustments would change the Conversion Price by at least 1%. However, any adjustments that are less than 1% of the Conversion Price will be carried forward and taken into account when determining subsequent adjustments.

In the case of: (i) any reclassification, capital reorganization or change (other than a change resulting only from consolidation or subdivision) of the Common Shares; (ii) the Corporation's amalgamation, arrangement, consolidation or merger with or into any other entity; (iii) any sale, transfer or other disposition of the Corporation's properties and assets as, or substantially as, an entirety to any other entity; or (iv) the Corporation's liquidation, dissolution or winding-up, the terms of the conversion privilege will be adjusted so that each Debenture will, after such reclassification, capital reorganization, change, amalgamation, arrangement, consolidation, merger, sale, transfer, disposition, liquidation, dissolution or winding-up, be exercisable for the kind and amount of the Corporation's securities or property, or of such continuing, successor or purchaser entity, as the case may be, which the holder thereof would have

been entitled to receive as a result of such reclassification, capital reorganization, change, amalgamation, arrangement, consolidation, merger, sale, transfer, disposition, liquidation, dissolution or winding-up if on the effective date thereof it had been the holder of the number of Common Shares into which the Debenture was convertible prior to the effective date thereof.

No fractional Common Shares will be issued upon conversion of the Debentures; in lieu thereof, the Corporation will satisfy such fractional interest by a cash payment equal to the relevant fraction of the Current Market Price of a whole Common Share.

### **Redemption and Purchase**

The Debentures may not be redeemed by the Corporation before June 30, 2018 (except in certain limited circumstances following a Change of Control). See “Description of the Debentures — Repurchase upon a Change of Control” below. On or after June 30, 2018 and prior to the Final Maturity Date, the Debentures may be redeemed by the Corporation in whole or in part from time to time at the Corporation’s option on not more than 60 days’ and not less than 30 days’ prior written notice at a redemption price equal to their principal amount plus accrued and unpaid interest thereon, provided that the volume weighted average trading price of the Common Shares on the TSX for the 20 consecutive days preceding the date on which notice of redemption is given is not less than 125% of the Conversion Price.

In the case of redemption of less than all of the Debentures, the Debentures to be redeemed will be selected by the Debenture Trustee on a pro rata basis or in such other manner as the Debenture Trustee deems equitable, subject to the consent of the TSX.

The Corporation or any of its affiliates will have the right to purchase Debentures for cancellation in the market, by tender or by private contract at any time, provided however, that if a Debenture Event of Default (as defined herein) has occurred and is continuing, the Corporation or any of its affiliates will not have the right to purchase Debentures by private contract.

### **Payment upon Redemption or Maturity**

On the date of redemption of the Debentures (the “Redemption Date”) or on the Initial Maturity Date or Final Maturity Date, as applicable, the Corporation will repay the indebtedness represented by the Debentures by paying to the Debenture Trustee in lawful money of Canada an amount equal to the principal amount of the outstanding Debentures, together with accrued and unpaid interest thereon.

The Corporation may, at its option, on not more than 60 days’ and not less than 40 days’ prior notice and subject to any required regulatory approvals, unless a Debenture Event of Default has occurred and is continuing, elect to satisfy its obligation to repay, in whole or in part, the principal amount of the Debentures which are to be redeemed or which have matured by issuing and delivering freely-tradeable Common Shares to the holders of the Debentures. Payment would be satisfied by delivering that number of freely-tradeable Common Shares obtained by dividing the principal amount of the Debentures to be redeemed or that have matured, as the case may be, by 95% of the Current Market Price of the Common Shares on the Redemption Date or Final Maturity Date, as applicable. Any accrued and unpaid interest will be paid in cash. The Corporation will not be entitled to issue Common Shares to satisfy its payment obligations on the Initial Maturity Date.

No fractional Common Shares will be issued upon redemption or maturity of the Debentures; in lieu thereof, the Corporation will satisfy such fractional interest by a cash payment equal to the relevant fraction of the Current Market Price of a whole Common Share.

### **Cancellation**

All Debentures converted, redeemed or purchased will be cancelled and may not be reissued or resold.

### **Subordination**

The payment of the principal of, and interest on, the Debentures will be subordinated in right of payment, in the circumstances referred to below and more particularly as set forth in the Indenture, to the prior payment in full of all Senior Indebtedness of the Corporation. “Senior Indebtedness” will be defined in the Indenture to mean the principal of and interest on and other amounts in respect of Borrowed Money and indebtedness of the Corporation (whether outstanding at the date of the Indenture or thereafter created, incurred, assumed or guaranteed), other than Borrowed Money or indebtedness which, by the terms of the contract or instrument creating or evidencing the Borrowed Money or such indebtedness, or pursuant to which the Borrowed Money or such indebtedness is outstanding, is expressed to be *pari passu* with, or subordinate in right of payment to, the Debentures. The Debentures will not limit the ability of the Corporation to incur additional indebtedness, including indebtedness that ranks senior to the Debentures, or from mortgaging, pledging or charging its real or personal property or properties to secure any indebtedness.

“Borrowed Money” will be defined in the Indenture to mean, in respect of the Corporation, all of the Corporation’s indebtedness, obligations and liabilities in respect of: (i) borrowed money; (ii) bonds, debentures, notes or other similar instruments; (iii) commercial paper, bankers’ acceptances, letters of credit, debt instruments, bank debt and financial leases, including reimbursement obligations in respect thereof; and (iv) guarantees, indemnities and other assurances in respect of any of the foregoing.

The Indenture will provide that in the event of any insolvency or bankruptcy proceedings, or any receivership, liquidation, reorganization or other similar proceedings relative to the Corporation, or to its property or assets, or in the event of any proceedings for voluntary liquidation, dissolution or other winding up of the Corporation, whether or not involving insolvency or bankruptcy, or any marshalling of the assets and liabilities of the Corporation, all creditors entitled to Senior Indebtedness will receive payment in full before the holders of the Debentures will be entitled to receive any payment or distribution of any kind or character, whether in cash, property or securities, which may be payable or deliverable in any such event in respect of any of the Debentures or any unpaid interest accrued thereon.

The Indenture will also provide that the Corporation will not make any payment, and the holders of the Debentures will not be entitled to demand, institute proceedings for the collection of, or receive any payment or benefit (including, without limitation, by set-off, combination of accounts or realization of security or otherwise in any manner whatsoever) on account of indebtedness represented by the Debentures (i) in a manner inconsistent with the terms (as they exist on the date of issue) of the Debentures or (ii) at any time when a default or event of default has occurred under the Senior Indebtedness and is continuing and which permits the holders of such Senior Indebtedness to accelerate the maturity thereof, unless the Senior Indebtedness has been repaid in full.

### **Repurchase upon a Change of Control**

Within 30 days following the occurrence of a Change of Control, the Corporation will be required to make a cash offer to purchase all of the Debentures (the “Debenture Offer”) at a price equal to 100% of the principal amount thereof plus accrued and unpaid interest thereon (the “Offer Price”). A Change of Control shall occur upon: (i) an acquisition by a person or group of persons acting jointly or in concert (within the meaning of Multilateral Instrument 62-104 - *Take-Over Bids and Issuer Bids* and, in Ontario, the *Securities Act* (Ontario) and Ontario Securities Commission Rule 62-504 - *Take-Over Bids and Issuer Bids*) of ownership of, or voting control or direction over, 50% or more of the issued and outstanding Common Shares; or (ii) the sale or other transfer of all or substantially all of the Corporation’s consolidated assets, excluding a sale, merger, reorganization or other similar transaction if the previous holders of the Common Shares hold at least 50% of the voting control in such merged reorganized or other continuing entity (each, a “Change of Control”).

The Indenture will contain notification and repurchase provisions requiring the Corporation to give written notice to the Debenture Trustee of the occurrence of a Change of Control within 30 days of such event together with the Debenture Offer. The Debenture Trustee will thereafter promptly mail to each holder of Debentures a notice of the Change of Control together with copy of the Debenture Offer to repurchase all outstanding Debentures.

If Debentures representing 90% or more of the aggregate principal amount of the Debentures outstanding on the date of the giving of notice of the Change of Control are tendered for purchase following a Change of Control (other than Debentures held at the date of the take-over bid by or on behalf of the offeror, associates or affiliates of the offeror or any one acting jointly or in concert with the offeror), the Corporation will have the right to redeem all remaining Debentures on the purchase date at the Offer Price. Notice of such redemption must be given to the Debenture Trustee by the Corporation within ten (10) days following expiry of the right of the holders of the Debentures to require repurchase after the Change of Control and, as soon as possible thereafter by the Debenture Trustee to the holders of Debentures not tendered for purchase.

The Corporation will comply with the requirements of Canadian securities laws and regulations to the extent such laws and regulations are applicable in connection with the repurchase of Debentures in the event of a Change of Control.

### **Cash Change of Control**

In addition to the requirement for the Corporation to make a Debenture Offer in the event of a Change of Control, if a Change of Control occurs on or prior to the Final Maturity Date in which 10% or more of the consideration for the Common Shares in the transaction or transactions constituting a Change of Control consists of: (i) cash (other than cash payments for fractional Common Shares and cash payments made in respect of dissenters’ appraisal rights); (ii) trust units, limited partnership units or other participating equity securities of a trust, limited partnership or similar entity; (iii) equity securities that are not traded or intended to be traded immediately following such transactions on a recognized stock exchange; or (iv) other property that is not traded or intended to be traded immediately following such transactions on a recognized stock exchange, then subject to regulatory approvals, during the

period beginning ten (10) trading days before the anticipated date on which the Change of Control becomes effective and ending 30 days after the Debenture Offer is delivered, holders of Debentures will be entitled to convert their Debentures, subject to certain limitations, and receive, subject to and upon completion of the Change of Control, in addition to the number of Common Shares they would otherwise be entitled to receive as set out under “Description of the Debentures Conversion Privilege” above, an additional number of Common Shares per \$1,000 principal amount of Debentures as set out below.

The number of additional Common Shares per \$1,000 principal amount of Debentures constituting the make-whole premium will be determined by reference to the table below and is based on the date on which the Change of Control becomes effective (the “Effective Date”) and the price (the “Stock Price”) paid per Common Share in the transaction constituting the Change of Control. If holders of Common Shares receive (or are entitled and able in all circumstances to receive), only cash in the transaction, the Stock Price will be the cash amount paid per Common Share. Otherwise, the Stock Price will be equal to the Current Market Price of the Common Shares immediately preceding the Effective Date of such transaction.

The following table shows what the make-whole premium would be for each hypothetical Stock Price and Effective Date set out below, expressed as additional Common Shares per \$1,000 principal amount of Debentures. For greater certainty, the Corporation will not be obliged to pay the make-whole premium other than by issuance of Common Shares upon conversion subject to the provision relating to adjustment of the Conversion Price in certain circumstances and following the completion of certain types of transactions described under “Description of the Debentures — Conversion Privilege” above.

<u>Share Price</u>	<u>Effective Date</u>					
	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
\$17.00	16.8067	16.8067	16.8067	16.8067	16.8067	16.8067
\$17.50	15.7341	15.1261	15.1261	15.1261	15.1261	15.1261
\$18.00	14.8028	14.0535	13.5387	13.5387	13.5387	13.5387
\$18.50	13.9219	13.1643	12.4371	12.0372	12.0372	12.0372
\$19.00	13.1342	12.3159	11.5234	10.9667	10.6148	10.6148
\$20.00	11.7180	10.8210	9.9331	9.2756	8.4243	7.9832
\$21.00	10.4886	9.5261	8.5623	7.8312	6.8420	5.6022
\$22.00	9.4420	8.4440	7.3790	6.5827	5.5405	3.4377
\$23.00	8.5215	7.4772	6.3759	5.5044	4.4739	1.4615
\$23.80	7.8841	6.8325	5.6656	4.7558	3.7686	0.0000
\$24.00	7.7356	6.6830	5.5002	4.5761	3.5988	0.0000
\$25.00	7.0367	5.9633	4.7622	3.7517	2.8756	0.0000
\$30.00	4.6645	3.6235	2.4028	0.8523	0.6352	0.0000
\$35.00	3.3539	2.4545	1.3767	0.1004	0.0973	0.0000
\$40.00	2.5808	1.8152	0.9312	0.0705	0.0704	0.0000
\$50.00	1.7348	1.1957	0.6057	0.0529	0.0528	0.0000
\$60.00	1.2852	0.8909	0.4617	0.0412	0.0411	0.0000

The actual Stock Price and Effective Date may not be set out in the table, in which case:

(i) if the actual Stock Price on the Effective Date is between two Stock Prices in the table or the actual Effective Date is between two Effective Dates in the table, the make-whole premium will be determined by a straight line interpolation between the make-whole premiums set out for the two Stock Prices and the two Effective Dates in the table based on a 365-day year, as applicable;

(ii) if the Stock Price on the Effective Date exceeds \$60.00 per Common Share, subject to adjustment as described below, the make-whole premium will be zero; and

(iii) if the Stock Price on the Effective Date is less than \$17.00 per Common Share, subject to adjustment as described below, the make-whole premium will be zero.

The Stock Prices set out in the table above will be adjusted as of any date on which the Conversion Price of the Debentures is adjusted. The adjusted Stock Prices will equal the Stock Prices applicable immediately prior to such adjustment multiplied by a fraction, the numerator of which is the Conversion Price as so adjusted and the denominator of which is the Conversion Price immediately prior to the adjustment giving rise to the Stock Price adjustment. The number of additional Common Shares set out in the table above will be adjusted in the same manner as the Conversion Price as set out above under “Description of the Debentures — Conversion Privilege”, other than by operation of an adjustment to the Conversion Price by adding the make-whole premium as described above.

### **Interest Payment Election**

Unless a Debenture Event of Default has occurred and is continuing, the Corporation may elect, from time to time, subject to applicable regulatory approval, to satisfy its obligation to pay interest on the Debentures (the “Interest Obligation”), on an Interest Payment Date occurring after the Acquisition Closing by delivering sufficient Common Shares to the Debenture Trustee for sale, to satisfy the Interest Obligation on the Interest Payment Date, in which event holders of the Debentures will be entitled to receive a cash payment equal to the interest payable from the proceeds of the sale of such Common Shares (the “Common Share Interest Payment Election”).

The Indenture will provide that, upon the Corporation making a Common Share Interest Payment Election, the Debenture Trustee will: (i) accept delivery from the Corporation of Common Shares; (ii) accept bids with respect to, and consummate sales of such Common Shares, each as the Corporation shall direct in its absolute discretion through investment banks, brokers or dealers identified by the Corporation; (iii) invest the proceeds of such sales in securities issued or guaranteed by the Government of Canada which mature prior to the applicable Interest Payment Date, and use the proceeds received from investment in such permitted government securities, together with any additional cash provided by the Corporation, to satisfy the Interest Obligation; and (iv) perform any other action necessarily incidental thereto.

The Indenture will set out the procedures to be followed by the Corporation and the Debenture Trustee in order to effect the Common Share Interest Payment Election. If a Common Share Interest Payment Election is made, the sole right of a holder of Debentures in respect of interest will be to receive a cash payment equal to the interest owed on the Debentures held by such holder from the Debenture Trustee out of the proceeds of the sale of Common Shares (plus any amount received by the Debenture Trustee from the Corporation) in full satisfaction of the Interest Obligation, and the holder of such Debentures will have no further recourse to the Corporation in respect of the Interest Obligation.

Notwithstanding the foregoing, neither the Corporation making the Common Share Interest Payment Election nor the consummation of sales of Common Shares will: (i) result in the holders of the Debentures not being entitled to receive on the applicable Interest Payment Date cash in an aggregate amount equal to the interest payable on such Interest Payment Date; or (ii) entitle or require such holders to receive any Common Shares in satisfaction of the Interest Obligation. The Common Share Interest Payment Election will not be available for interest payable on or prior to the Initial Maturity Date.

### **Modification**

The rights of the holders of Debentures may be modified in accordance with the terms of the Indenture. For that purpose, among others, the Indenture will contain certain provisions which make binding on all holders of Debentures, resolutions passed at meetings of the holders of Debentures by votes cast thereat by holders of not less than 66 2/3% of the principal amount of the then-outstanding Debentures present at the meeting or represented by proxy of which not less than 25% of the principal amount of the Debentures then outstanding are present in person or by proxy, or rendered by instruments in writing signed by the holders of not less than 66 2/3% of the principal amount of the then-outstanding Debentures. Under the Indenture, certain amendments of a technical nature or which are

not prejudicial to the rights of the holders of the Debentures may be made to the Indenture without the consent of the holders of the Debentures.

### **Consolidation, Mergers or Sales of Assets**

The Indenture will provide that the Corporation may not, without the consent of the holders of the Debentures, consolidate or amalgamate with or merge into any person or sell, convey, transfer or lease all or substantially all of the Corporation's properties and assets to another person (other than the Corporation's direct or indirect wholly-owned subsidiaries) unless:

- (i) the resulting, surviving, continuing or transferee person is organized under the laws of Canada or a province or territory thereof and expressly assumes all of the Corporation's obligations under the Debentures and Indenture;
- (ii) if such resulting, surviving, continuing or transferee person is organized otherwise than under the laws of Ontario, it attorns to the jurisdiction of the courts of Ontario;
- (iii) the Debentures will be valid and binding obligations of the resulting, surviving, continuing or transferee person entitling the holders thereof, as against such person, to all the rights of holders of Debentures under the Indenture;
- (iv) both before and after giving effect to the transaction, no Debenture Event of Default, and no event that, after notice or lapse of time, of both, would become a Debenture Event of Default, will exist;
- (v) such transaction shall, to the satisfaction of the Debenture Trustee and in the opinion of counsel, be on such terms as substantially to preserve and not to impair any of the rights and powers of the Debenture Trustee or of the holders of Debentures; and
- (vi) other conditions described in the Indenture are met.

For certainty, the sale, conveyance, transfer or lease (in a single transaction or a series of transactions) of the properties or assets of one or more of the Corporation's subsidiaries (other than to the Corporation or another direct or indirect wholly-owned subsidiary) which, if such properties or assets were directly owned by the Corporation, would constitute all or substantially all of the Corporation's properties and assets on a consolidated basis, will be deemed to be a sale, conveyance, transfer or lease of all or substantially all of the Corporation's properties and assets.

Upon the assumption of the Corporation's obligations by a successor in such circumstances, subject to certain exceptions, the Corporation will be discharged from all of its obligations under the Debentures and Indenture. Although such transactions are permitted under the Indenture, certain of the foregoing transactions could constitute a Change of Control, which would require the Corporation to offer to purchase the Debentures as described above. An assumption of the Corporation's obligations under the Debentures and Indenture by a successor might be deemed for Canadian federal income tax purposes to be an exchange of the Debentures for new Debentures by the holders thereof, resulting in recognition of gain or loss for such purpose and possibly other adverse tax consequences to the holders. Holders should consult their own tax advisors regarding the tax consequences of such an assumption.

### **Events of Default**

The Indenture will provide that an event of default ("Debenture Event of Default") in respect of the Debentures will occur if certain events described in the Indenture occur, including if any one or more of the following described events has occurred and is continuing with respect to the Debentures: (i) failure for 15 days to pay interest on the Debentures when due; (ii) failure to pay principal or premium, if any, on the Debentures, whether at maturity, upon redemption, by declaration or otherwise (whether such payment is due in cash, Common Shares or other securities or property or a combination thereof); (iii) the Corporation's bankruptcy, insolvency or reorganization under bankruptcy or insolvency laws; (iv) default in the delivery, when due, of any Common Shares or other consideration, including any make-whole premium, payable upon conversion with respect to the Debentures, which default continues for 15 days; and (v) default in the observance or performance of any covenant or condition of the Indenture and the failure to cure (or obtain a waiver for) such default for a period of 60 days after notice in writing has been given by the Debenture Trustee or from holders of not less than 25% of the aggregate principal amount of the outstanding Debentures specifying such default and requiring the Corporation to rectify same.

If a Debenture Event of Default has occurred and is continuing, the Debenture Trustee may, in its discretion, and will, upon the request of holders of not less than 25% in principal amount of the then outstanding Debentures declare the principal of (and premium,



if any) and interest on all outstanding Debentures to be immediately due and payable. In certain cases, the holders of a majority of the principal amount of outstanding Debentures may, on behalf of the holders of all outstanding Debentures, waive any Debenture Event of Default and/or cancel any such declaration upon such terms as such holders shall prescribe.

### **Offers for Debentures**

The Indenture will contain provisions to the effect that if an offer is made for the Debentures which is a take-over bid for Debentures within the meaning of Multilateral Instrument 62-104 *-Take-Over Bids and Issuer Bids* and in Ontario, the *Securities Act* (Ontario) and Ontario Securities Commission Rule 62-504 *-Take-Over Bids and Issuer Bids*, if the Debentures were considered equity securities, and not less than 90% of the principal amount of the then outstanding Debentures (other than Debentures held at the date of the take-over bid by or on behalf of the offeror or associates or affiliates of the offeror) are taken up and paid for by the offeror, the offeror will be entitled to acquire the Debentures held by those who did not accept the offer on the terms offered by the offeror.

### **Book-Entry, Delivery and Form of Debentures and Common Shares**

The Debentures may be represented in either certificated or uncertificated form registered in the name of CDS or its nominee and held by, or on behalf of, CDS, as depository of the Debenture certificates for the participants of CDS (the “CDS-Registered Debenture Certificate”).

If CDS notifies the Corporation that it is unwilling or unable to continue as depository in connection with the CDS-Registered Debenture Certificate, or if at any time CDS ceases to be a clearing agency or otherwise ceases to be eligible to be a depository and the Corporation and the Debenture Trustee are unable to locate a qualified successor, or if the Corporation elects, in its sole discretion, to terminate the book-entry system, with the consent of the Debenture Trustee, or if under certain circumstances described in the Indenture, a Debenture Event of Default has occurred, beneficial owners of Debentures represented by the CDS-Registered Debenture Certificate at such time will receive Debentures in registered and definitive form (the “Definitive Debentures”).

Each purchaser acquiring a beneficial interest in Debentures represented by the CDS-Registered Debenture Certificate will receive a customer confirmation of purchase from the Underwriter from whom the beneficial interest is purchased in accordance with the practices and procedures of the selling Underwriter.

Registration of ownership and transfers of Debentures represented by the CDS-Registered Debenture Certificate may be effected through the book-based system administered by CDS or its nominees (with respect to interests of participants of CDS) and on the records of participants of CDS (with respect to interests of persons other than participants of CDS). The ability of an owner of a beneficial interest in Debentures represented by the CDS-Registered Debenture Certificate to pledge such Debentures or otherwise take action with respect to such owner’s interest in such Debentures (other than through a CDS participant) may be limited due to the lack of a physical certificate.

Common Shares issued upon the conversion, redemption or maturity of the Debentures will be delivered electronically through the NCI system of CDS. Transfers of ownership of Common Shares in Canada must be effected through a CDS participant, which includes securities brokers and dealers, banks and trust companies. All rights of shareholders who hold Common Shares in CDS must be exercised through, and all payments or other property to which such shareholders are entitled, will be made or delivered by CDS or the CDS participant through which the shareholder holds such Common Shares. A holder of a Common Shares participating in the NCI system will not be entitled to a certificate or other instrument from the Corporation or the Corporation’s transfer agent evidencing that person’s interest in or ownership of Common Shares, nor, to the extent applicable, will such holder be shown on the records maintained by CDS, except through an agent who is a CDS participant. The ability of a beneficial owner of Common Shares to pledge such Common Shares or otherwise take action with respect to such owner’s interest in such Common Shares (other than through a CDS participant) may be limited due to the lack of a physical certificate.

### **Payments**

Payments of interest and principal on each CDS-Registered Debenture Certificate will be made to CDS or its nominee, as the case may be, as the registered holder of the CDS-Registered Debenture Certificate. As long as CDS or its nominee is the registered owner of the CDS-Registered Debenture Certificate, CDS or its nominee, as the case may be, will be considered the sole legal owner of the CDS-Registered Debenture Certificate for the purposes of receiving payments of interest and principal on the Debentures and for all other purposes under the Indenture and Debentures. Interest payments on the CDS-Registered Debenture Certificate will be made by electronic funds transfer or by cheque on the day interest is payable and delivered to CDS or its nominee, as the case may be.

The Corporation understands that CDS or its nominee, upon receipt of any payment of interest or principal in respect of a CDS-Registered Debenture Certificate, will credit CDS participants' accounts, on the date on which interest or principal is payable, with payments in amounts proportionate to their respective beneficial interest in the principal amount of such CDS-Registered Debenture Certificate as shown on the records of CDS or its nominee. The Corporation also understands that payments of interest and principal by CDS participants to the owners of beneficial interests in such CDS-Registered Debenture Certificate held through such participants will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name" and will be the responsibility of such CDS participants. The Corporation's responsibility and liability in respect of payments on Debentures represented by the CDS-Registered Debenture Certificate is limited solely and exclusively, while the Debentures are registered in CDS-Registered Debenture Certificate form, to making payment of any interest and principal due on such CDS-Registered Debenture Certificate to CDS or its nominee.

If Definitive Debentures are issued instead of or in place of CDS-Registered Debenture Certificate, payments of interest on each Definitive Debenture will be made by electronic funds transfer, if agreed to by the holder of the Definitive Debenture, or by cheque dated the Interest Payment Date and mailed to the address of the holder appearing in the register maintained by the registrar for the Debentures at least one business day prior to the applicable Interest Payment Date. Payment of principal at maturity will be made at the principal office of the paying agent in Toronto (or in such other city or cities as may from time to time be designated by the Corporation) against surrender of the Definitive Debentures, if any.

### **Contractual Right of Rescission**

Original purchasers of Debentures will have a non-assignable contractual right of rescission, exercisable against the Corporation following the issuance of Common Shares to such purchaser upon the conversion of the Debentures, to receive the amount paid for such Debentures upon surrender of the Common Shares if the Prospectus or any amendment thereto contains a misrepresentation (as such term is defined in the *Securities Act* (Ontario)), provided such remedy for rescission is exercised within 180 days of the Offering Closing, following which this contractual right of rescission will be null and void. This contractual right of rescission shall be subject to the defences, limitations and other provisions described under part XXIII of the *Securities Act* (Ontario), and is in addition to any other right or remedy available to original purchasers of Debentures under section 130 of the *Securities Act* (Ontario) or otherwise at law. For greater certainty, this contractual right of rescission is only in connection with a misrepresentation (within the meaning of the *Securities Act* (Ontario)) and is not a right to withdraw from an agreement to purchase securities within two business days as provided in securities legislation in certain provinces of Canada.

## **DESCRIPTION OF THE SERIES G SHARES**

The following is a summary of certain provisions of the Series G Shares as a series.

### *Definition of Terms*

The following definitions are relevant to the Series G Shares.

"Annual Fixed Dividend Rate" means, for any Subsequent Fixed Rate Period, the rate (expressed as a percentage rate rounded to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up to 0.00001%)) equal to the sum of the Government of Canada Yield on the applicable Fixed Rate Calculation Date plus 5.34%.

"Bloomberg Screen GCAN5YR Page" means the display designated as page "GCAN5YR<INDEX>" on the Bloomberg Financial L.P. service (or such other page as may replace the GCAN5YR page) for purposes of displaying Government of Canada Yields.

"Business Day" means a day, other than a Saturday, Sunday or statutory holiday, when banks are generally open in the City of Toronto, Ontario, for the transaction of banking business.

"Fixed Rate Calculation Date" means, for any Subsequent Fixed Rate Period, the 30th day prior to the first day of such Subsequent Fixed Rate Period.

"Government of Canada Yield" on any date means the yield to maturity on such date (assuming semi-annual compounding) of a Canadian dollar denominated non-callable Government of Canada bond with a term to maturity of five years as quoted as of 10:00 a.m. (Toronto time) on such date and which appears on the Bloomberg Screen GCAN5YR Page on such date; provided that, if such rate does not appear on the Bloomberg Screen GCAN5YR Page on such date, the Government of Canada Yield will mean the average of the yields determined by two registered Canadian investment dealers, selected by the Corporation, as being the yield to maturity on

such date (assuming semi-annual compounding) which a Canadian dollar denominated non-callable Government of Canada bond would carry if issued in Canadian dollars at 100% of its principal amount on such date with a term to maturity of five years.

“Initial Fixed Rate Period” means the period from and including the Closing Date up to, but excluding, September 30, 2020.

“Subsequent Fixed Rate Period” means, for the initial Subsequent Fixed Rate Period, the period from and including September 30, 2020 up to, but excluding, September 30, 2025 and for each succeeding Subsequent Fixed Rate Period, the period from and including the day immediately following the end of the immediately preceding Subsequent Fixed Rate Period up to, but excluding, September 30 in the fifth year thereafter.

#### *Issue Price*

The Series G Shares will have an issue price of \$25.00 per share.

#### *Dividends*

During the Initial Fixed Rate Period, the holders of the Series G Shares will be entitled to receive fixed, cumulative, preferential cash dividends, if, as and when declared by the Board of Directors, payable quarterly on the last Business Day of March, June, September and December in each year during the Initial Fixed Rate Period, at an annual rate equal to \$1.625 per share. The initial dividend, if declared, will be payable on September 30, 2015 and will be \$0.552 per share, based on the anticipated Closing Date of May 29, 2015.

During each Subsequent Fixed Rate Period after the Initial Fixed Rate Period, the holders of Series G Shares will be entitled to receive fixed, cumulative, preferential cash dividends, if, as and when declared by the Board of Directors, payable quarterly on the last Business Day of March, June, September and December in each year during the Subsequent Fixed Rate Period, in an annual amount per share determined by multiplying the Annual Fixed Dividend Rate applicable to such Subsequent Fixed Rate Period by \$25.00.

The Annual Fixed Dividend Rate applicable to a Subsequent Fixed Rate Period will be determined by the Corporation as of the Fixed Rate Calculation Date. Such determination will, in the absence of manifest error, be final and binding on the Corporation and all holders of Series G Shares. The Corporation will, on the Fixed Rate Calculation Date (or the immediately following Business Day), give written notice of the Annual Fixed Dividend Rate for the next succeeding Subsequent Fixed Rate Period to the registered holders of the then outstanding Series G Shares.

Payments of dividends and other amounts in respect of the Series G Shares will be made by the Corporation to CDS, or its nominee, as the case may be, as registered holder of the Series G Shares. As long as CDS, or its nominee, is the registered holder of the Series G Shares, CDS, or its nominee, as the case may be, will be considered the sole owner of the Series G Shares for the purpose of receiving payment on the Series G Shares. Payments of dividends and all other amounts in respect of the Series G Shares will be less any amounts deducted or withheld on account of tax.

#### *Redemption*

Except as noted below, the Series G Shares will not be redeemable by the Corporation prior to September 30, 2020. On September 30, 2020 and on September 30 every five years thereafter (or, if such date is not a Business Day, the next succeeding day that is a Business Day), and subject to certain other restrictions set out below under the heading “Description of the Series G Shares – Restrictions on Dividends and Retirement of Shares”, the Corporation may, at its option, on at least 30 days’ and not more than 60 days’ prior written notice, redeem all or any number of the outstanding Series G Shares by payment in cash of a per share sum equal to \$25.00, 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 on account of tax).

If less than all of the outstanding Series G Shares are at any time to be redeemed, the particular shares to be redeemed shall be selected on a pro rata basis (disregarding fractions) or, if such shares are at such time listed on a stock exchange, with the consent of any applicable stock exchange, in such other manner as the Board of Directors may, in its sole discretion, determine by resolution.

#### *Conversion of Series G Shares into Series H Shares*

Subject to the right of the Corporation to redeem the Series G Shares as described above, each holder of Series G Shares will have the right, at its option, on September 30, 2020 and on September 30 every five years thereafter (each a “Series G Conversion Date”), to

convert, subject to the restrictions on conversion described below and the payment or delivery to the Corporation of evidence of payment of the tax (if any) payable, all or any of the Series G Shares into Series H Shares on the basis of one Series H Share for each Series G Share converted. If a Series G Conversion Date falls on a day that is not a Business Day, such Series G Conversion Date will be the immediately following Business Day. The conversion of Series G Shares may be effected upon written notice (each notice, an "Election Notice") given by the registered holder of the Series G Shares not earlier than the 30th day prior to, but not later than 5:00 p.m. (Toronto time) on the 15th day preceding the applicable Series G Conversion Date. Once received by the Corporation, an Election Notice is irrevocable.

The Corporation will, at least 30 days and not more than 60 days prior to the applicable Series G Conversion Date, give notice in writing to the then registered holders of the Series G Shares of the Series G Conversion Date and a form of Election Notice. On the 30th day prior to each Series G Conversion Date (or the immediately following Business Day), the Corporation will give notice in writing to the then registered holders of the Series G Shares of the Annual Fixed Dividend Rate for the next succeeding Subsequent Fixed Rate Period and the Quarterly Floating Dividend Rate applicable to the Series H Shares for the next succeeding Quarterly Floating Rate Period (as these terms are defined below).

If the Corporation gives notice to the registered holders of the Series G Shares of the redemption on a Series G Conversion Date of all the Series G Shares, the Corporation will not be required to give notice as provided hereunder to the registered holders of the Series G Shares of the Annual Fixed Dividend Rate, the Quarterly Floating Dividend Rate or of the conversion right of holders of Series G Shares and the right of any holder of Series G Shares to convert such Series G Shares will cease and terminate in that event.

Holders of Series G Shares will not be entitled to convert their shares into Series H Shares if the Corporation determines that there would remain outstanding on a Series G Conversion Date fewer than 500,000 Series H Shares, after having taken into account the Election Notice in respect of all Series G Shares tendered for conversion into Series H Shares and the Election Notice in respect of all Series H Shares tendered for conversion into Series G Shares. The Corporation will give notice in writing to all affected holders of Series G Shares of their inability to convert their Series G Shares at least seven days prior to the applicable Series G Conversion Date.

Furthermore, if the Corporation determines that there would remain outstanding on a Series G Conversion Date fewer than 500,000 Series G Shares, after having taken into account all Election Notices in respect of Series G Shares tendered for conversion into Series H Shares and all Election Notices in respect of Series H Shares tendered for conversion into Series G Shares, then, all, but not part, of the remaining outstanding Series G Shares will be automatically converted into Series H Shares on the basis of one Series H Share for each Series G Share, on the applicable Series G Conversion Date. The Corporation will give notice in writing to this effect to the then registered holders of such remaining Series G Shares at least seven days prior to the applicable Series G Conversion Date.

Upon exercise by a registered holder of its right to convert Series G Shares into Series H Shares (and upon an automatic conversion), the Corporation reserves the right not to issue Series H Shares to any person whose address is in, or whom the Corporation or its transfer agent has reason to believe is a resident of, any jurisdiction outside Canada, to the extent that such issue would require the Corporation to take any action to comply with the securities or analogous laws of such jurisdiction.

#### *Purchase for Cancellation*

Subject to applicable law and to the provisions described below under "Restrictions on Dividends and Retirement of Shares", the Corporation may at any time purchase for cancellation all or any number of the Series G Shares outstanding from time to time at any price in the open market (including purchases from or through an investment dealer or a firm holding membership on or that is a participant of a recognized stock exchange) or by tender available to all holders of Series G Shares or by private agreement or otherwise.

#### *Rights on Liquidation*

In the event of the liquidation, dissolution or winding-up of the Corporation or any other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs, whether voluntary or involuntary, subject to the prior satisfaction of the claims of all creditors of the Corporation and of holders of shares of the Corporation ranking prior to the Series G Shares, the holders of the Series G Shares will be entitled to receive an amount equal to \$25.00 per 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 on the account of tax), before any amount is paid or any assets of the Corporation are distributed to the holders of any shares ranking junior as to capital to the Series G Shares. Upon payment of such amounts, the holders of the Series G Shares will not be entitled to share in any further distribution of the assets of the Corporation.

### *Priority*

The Series G Shares rank senior to the Corporation's common shares with respect to priority in the payment of dividends and in the distribution of assets in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or in the event of any other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs. The Series G Shares rank on a parity with every other series of Preferred Shares with respect to priority in the payment of dividends and in the distribution of assets in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or in the event of any other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs.

### *Restrictions on Dividends and Retirement of Shares*

So long as any of the Series G Shares are outstanding, the Corporation will not, without the approval of the holders of the Series G Shares:

- (a) declare, pay or set apart for payment any dividends (other than stock dividends payable in shares of the Corporation ranking as to capital and dividends junior to the Series G Shares) on any shares of the Corporation ranking as to dividends junior to the Series G Shares;
- (b) except out of the net cash proceeds of a substantially concurrent issue of shares of the Corporation ranking as to capital and dividends junior to the Series G Shares, redeem or call for redemption, purchase for cancellation or otherwise pay off, retire or make any return of capital in respect of any shares of the Corporation ranking as to capital junior to the Series G Shares;
- (c) redeem or call for redemption, purchase for cancellation, or otherwise pay off or retire for value or make any return of capital in respect of less than all of the Series G Shares then outstanding; or
- (d) except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provisions attaching thereto, redeem or call for redemption, purchase or otherwise pay off or retire for value or make any return of capital in respect of any Preferred Shares ranking as to dividends or capital on a parity with the Series G Shares, unless, in each such case, all accrued and unpaid dividends on the Series G Shares up to and including the dividend payable for the last completed period for which dividends were payable on the Series G Shares and on all other shares of the Corporation ranking prior to or on a parity with the Series G Shares with respect to the payment of dividends have been declared and paid or moneys set apart for payment.

### *Shareholder Approvals*

In addition to any other approvals required by law (including any approvals required by the TSX), the approval of all amendments to the rights, privileges, restrictions and conditions attaching to the Series G Shares as a series and any other approval to be given by the holders of the Series G Shares may be given by a resolution signed by all holders of the Series G Shares, or by a resolution passed by the affirmative vote of not less than two-thirds of the votes cast by the holders who voted in respect of that resolution at a meeting of the holders duly called for that purpose and at which the holders of at least 10% of the outstanding Series G Shares are present in person or represented by proxy or, if no quorum is present at such meeting, at an adjourned meeting at which the holders of Series G Shares then present in person or represented by proxy would form the necessary quorum. At any meeting of holders of Series G Shares as a series, each such holder as at the applicable record date shall be entitled to one vote in respect of each Series G Share held by such holder.

### *Issue of Additional Series of Preferred Shares*

The Corporation may issue other series of Preferred Shares ranking on a parity with the Series G Shares without the authorization of the holders of the Series G Shares.

### *Voting Rights*

The holders of the Series G Shares will not (except as otherwise provided by law and, except as noted below, in respect of meetings of the holders of Preferred Shares as a class and meetings of holders of Series G Shares as a series) be entitled to receive notice of, attend, or vote at any meeting of shareholders of the Corporation, unless and until the Corporation shall have failed to pay four quarterly dividends on the Series G Shares, whether or not consecutive and whether or not such dividends have been declared and whether or not there are any monies of the Corporation properly applicable to the payment of such dividends. In the event the Corporation shall have failed to pay four quarterly dividends, and for only so long as any such dividends remain in arrears, the holders of the Series G Shares as at the applicable record date will be entitled to receive notice of and to attend each meeting of the

Corporation's shareholders which takes place more than 60 days after the date on which such non-payment of the fourth quarterly dividend on the Series G Shares occurred, other than meetings at which only holders of another specified class or series are entitled to vote, and be entitled to vote together with all of the voting shares of the Corporation on the basis of one vote in respect of each Series G Share held by such holder, until all such arrears of such dividends have been paid, whereupon such rights shall cease.

Subject to applicable law, holders of the Series G Shares will not be entitled to vote separately as a class or series on a proposal to amend the articles of the Corporation to (a) increase any maximum number of authorized shares of a class or series having rights or privileges equal to or superior to the Series G Shares or (b) create a new class or series of shares equal or superior to the Series G Shares.

#### *Tax Election*

The Series G Shares will be "taxable preferred shares" as defined in the Tax Act. The Corporation will elect, in the manner and within the time provided under Part VI.1 of the Tax Act, to pay or cause payment of the tax, under Part VI.1 of the Tax Act at a rate such that the corporate holders of Series G Shares will not be required to pay tax under Part IV.1 of the Tax Act on dividends received (or deemed to be received) on such shares.

#### *Business Day*

If any action is required to be taken by the Corporation in relation to the Series G Shares on a day that is not a Business Day, then such action will be required to be taken on the next succeeding day that is a Business Day.

### **DESCRIPTION OF THE SERIES H SHARES**

The following is a summary of certain provisions attaching to the Series H Shares as a series.

#### *Definition of Terms*

The following definitions are relevant to the Series H Shares.

"Business Day" means a day, other than a Saturday, Sunday or statutory holiday, when banks are generally open in the City of Toronto, Ontario, for the transaction of banking business.

"Floating Rate Calculation Date" means, for any Quarterly Floating Rate Period, the 30th day prior to the first day of such Quarterly Floating Rate Period.

"Quarterly Commencement Date" means the last day of each of March, June, September and December in each year.

"Quarterly Floating Dividend Rate" means, for any Quarterly Floating Rate Period, the rate (expressed as a percentage rate rounded to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up to 0.00001%) equal to the sum of the T-Bill Rate on the applicable Floating Rate Calculation Date plus 5.34% (calculated on the basis of the actual number of days in such Quarterly Floating Rate Period divided by 365).

"Quarterly Floating Rate Period" means, for the initial Quarterly Floating Rate Period, the period from and including September 30, 2020 up to, but excluding, December 31, 2020, and thereafter the period from and including the day immediately following the end of the immediately preceding Quarterly Floating Rate Period up to, but excluding, the next succeeding Quarterly Commencement Date.

"T-Bill Rate" means, for any Quarterly Floating Rate Period, the average yield expressed as a percentage per annum on three-month Government of Canada Treasury Bills, as reported by the Bank of Canada, for the most recent treasury bills auction preceding the applicable Floating Rate Calculation Date.

#### *Dividends*

The holders of the Series H Shares will be entitled to receive floating rate cumulative preferential cash dividends, if, as and when declared by the Board of Directors, payable quarterly on the last Business Day of March, June, September and December in each year, in the amount per share determined by multiplying the applicable Quarterly Floating Dividend Rate by \$25.00.

The Quarterly Floating Dividend Rate for each Quarterly Floating Rate Period will be determined by the Corporation on the applicable Floating Rate Calculation Date. Such determination will, in the absence of manifest error, be final and binding upon the Corporation and upon all holders of Series H Shares. The Corporation will, on the relevant Floating Rate Calculation Date (or the immediately following Business Day), give written notice of the Quarterly Floating Dividend Rate for the ensuing Quarterly Floating Rate Period to the registered holders of the then outstanding Series H Shares.

Payments of dividends and other amounts in respect of the Series H Shares will be made by the Corporation to CDS, or its nominee, as the case may be, as registered holder of the Series H Shares. As long as CDS, or its nominee, is the registered holder of the Series H Shares, CDS, or its nominee, as the case may be, will be considered the sole owner of the Series H Shares for the purpose of receiving payment on the Series H Shares. Payments of dividends and all other amounts in respect of the Series H Shares will be less any amounts deducted or withheld on account of tax.

#### *Redemption*

Except as noted below, the Series H Shares will not be redeemable by the Corporation on or prior to September 30, 2025. Subject to certain other restrictions set out below under the heading “Description of the Series H Shares – Restrictions on Dividends and Retirement of Shares”, the Corporation may, at its option, on at least 30 days’ and not more than 60 days’ prior written notice, redeem all or any number of the outstanding Series H Shares by payment in cash of a per share sum equal to (i) \$25.00 in the case of redemptions on September 30, 2025 and on September 30 every five years thereafter (each a “Series H Redemption Date”), or (ii) \$25.50 in the case of redemptions on any date which is not a Series H Redemption Date after September 30, 2020, 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 on account of tax). If a Series H Redemption Date falls on a day that is not a Business Day, such Series H Redemption Date will be the next succeeding day that is a Business Day.

If less than all of the outstanding Series H Shares are at any time to be redeemed, the particular shares to be redeemed shall be selected on a pro rata basis (disregarding fractions) or, if such shares are at such time listed on a stock exchange, with the consent of any applicable stock exchange, in such other manner as the Board of Directors may, in its sole discretion, determine by resolution.

The Series H Shares do not have a fixed maturity date and are not redeemable at the option of the holders of Series H Shares. See “Risk Factors”.

#### *Conversion of Series H Shares into Series G Shares*

Subject to the right of the Corporation to redeem the Series H Shares as described above, each holder of Series H Shares will have the right, at its option, on September 30, 2025 and on September 30 every five years thereafter (each a “Series H Conversion Date”), to convert, subject to the restrictions on conversion described below and the payment or delivery to the Corporation of evidence of payment of the tax (if any) payable, all or any of the Series H Shares into Series G Shares on the basis of one Series G Share for each Series H Share converted. If a Series H Conversion Date falls on a day that is not a Business Day, such Series H Conversion Date will be the immediately following Business Day. The conversion of Series H Shares may be effected upon an Election Notice given by the registered holder of the Series H Shares not earlier than the 30th day prior to, but not later than 5:00 p.m. (Toronto time) on the 15th day preceding the applicable Series H Conversion Date. Once received by the Corporation, an Election Notice is irrevocable.

The Corporation will, at least 30 days and not more than 60 days prior to the applicable Series H Conversion Date, give notice in writing to the then registered holders of the Series H Shares of the Series H Conversion Date and a form of Election Notice. On the 30th day prior to each Series H Conversion Date (or the next following Business Day), the Corporation will give notice in writing to the then registered holders of Series H Shares of the Quarterly Floating Dividend Rate for the next Quarterly Floating Rate Period and of the Annual Fixed Dividend Rate applicable to the Series G Shares for the next Subsequent Fixed Rate Period.

If the Corporation gives notice to the registered holders of the Series H Shares of the redemption on a Series H Conversion Date of all the Series H Shares, the Corporation will not be required to give notice as provided hereunder to the registered holders of the Series H Shares of the Annual Fixed Dividend Rate, the Quarterly Floating Dividend Rate or of the conversion right of holders of Series H Shares and the right of any holder of Series H Shares to convert such Series H Shares will cease and terminate in that event.

Holders of Series H Shares will not be entitled to convert their shares into Series G Shares if the Corporation determines that there would remain outstanding on a Series H Conversion Date fewer than 500,000 Series G Shares, after having taken into account the

Election Notice in respect of all Series H Shares tendered for conversion into Series G Shares and the Election Notice in respect of all Series G Shares tendered for conversion into Series H Shares. The Corporation will give notice in writing to all affected holders of Series H Shares of their inability to convert their Series H Shares at least seven days prior to the applicable Series H Conversion Date.

Furthermore, if the Corporation determines that there would remain outstanding on a Series H Conversion Date fewer than 500,000 Series H Shares, after having taken into account all Election Notices in respect of Series H Shares tendered for conversion into Series G Shares and all Election Notices in respect of Series G Shares tendered for conversion into Series H Shares, then, all, but not part, of the remaining outstanding Series H Shares will be automatically converted into Series G Shares on the basis of one Series G Share for each Series H Share, on the applicable Series H Conversion Date. The Corporation will give notice in writing to this effect to the then registered holders of such remaining Series H Shares at least seven days prior to the applicable Series H Conversion Date.

Upon exercise by a registered holder of its right to convert Series H Shares into Series G Shares (and upon an automatic conversion), the Corporation reserves the right not to issue Series G Shares to any person whose address is in, or whom the Corporation or its transfer agent has reason to believe is a resident of, any jurisdiction outside Canada, to the extent that such issue would require the Corporation to take any action to comply with the securities or analogous laws of such jurisdiction.

#### *Purchase for Cancellation*

Subject to applicable law and to the provisions described below under “Description of the Series H Shares – Restrictions on Dividends and Retirement of Shares”, the Corporation may at any time purchase for cancellation all or any number of the Series H Shares outstanding from time to time at any price in the open market (including purchases from or through an investment dealer or a firm holding membership on or that is a participant of a recognized stock exchange) or by tender available to all holders of Series H Shares or by private agreement or otherwise.

#### *Rights on Liquidation*

In the event of the liquidation, dissolution or winding-up of the Corporation or any other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs, whether voluntary or involuntary, subject to the prior satisfaction of the claims of all creditors of the Corporation and of holders of shares of the Corporation ranking prior to the Series H Shares, the holders of the Series H Shares will be entitled to receive an amount equal to \$25.00 per share, together with an amount equal to all accrued and unpaid dividends up to, but excluding, the date of payment or distribution (less any tax required to be deducted or withheld by the Corporation), before any amount is paid or any assets of the Corporation are distributed to the holders of any shares ranking junior as to capital to the Series H Shares. Upon payment of such amounts, the holders of the Series H Shares will not be entitled to share in any further distribution of the assets of the Corporation.

#### *Priority*

The Series H Shares rank senior to the Corporation’s common shares with respect to priority in the payment of dividends and in the distribution of assets in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or in the event of any other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs. The Series H Shares rank on a parity with every other series of Preferred Shares of the Corporation with respect to priority in the payment of dividends and in the distribution of assets in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or in the event of any other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs.

#### *Restrictions on Dividends and Retirement of Shares*

So long as any of the Series H Shares are outstanding, the Corporation will not, without the approval of the holders of the Series H Shares:

- (a) declare, pay or set apart for payment any dividends (other than stock dividends payable in shares of the Corporation ranking as to capital and dividends junior to the Series H Shares) on any shares of the Corporation ranking as to dividends junior to the Series H Shares;
- (b) except out of the net cash proceeds of a substantially concurrent issue of shares of the Corporation ranking as to capital and dividends junior to the Series H Shares, redeem or call for redemption, purchase for cancellation or otherwise pay off, retire or make any return of capital in respect of any shares of the Corporation ranking as to capital junior to the Series H Shares;



- (c) redeem or call for redemption, purchase for cancellation, or otherwise pay off or retire for value or make any return of capital in respect of less than all of the Series H Shares then outstanding; or
- (d) except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provisions attaching thereto, redeem or call for redemption, purchase or otherwise pay off or retire for value or make any return of capital in respect of any Preferred Shares ranking as to dividends or capital on a parity with the Series H Shares, unless, in each such case, all accrued and unpaid dividends on the Series H Shares up to and including the dividend payable for the last completed period for which dividends were payable on the Series H Shares and on all other shares of the Corporation ranking prior to or on a parity with the Series H Shares with respect to the payment of dividends have been declared and paid or moneys set apart for payment.

#### *Shareholder Approvals*

In addition to any other approvals required by law (including any approvals required by the TSX), the approval of all amendments to the rights, privileges, restrictions and conditions attaching to the Series H Shares as a series and any other approval to be given by the holders of the Series H Shares may be given by a resolution signed by all holders of the Series H Shares, or by a resolution passed by the affirmative vote of not less than two-thirds of the votes cast by the holders who voted in respect of that resolution at a meeting of the holders duly called for that purpose and at which the holders of at least 10% of the outstanding Series H Shares are present in person or represented by proxy or, if no quorum is present at such meeting, at an adjourned meeting at which the holders of Series H Shares then present in person or represented by proxy would form the necessary quorum. At any meeting of holders of Series H Shares as a series, each such holder as at the applicable record date shall be entitled to one vote in respect of each Series H Share held by such holder.

#### *Issue of Additional Series of Preferred Shares*

The Corporation may issue other series of Preferred Shares ranking on parity with the Series H Shares without the authorization of the holders of the Series H Shares.

#### *Voting Rights*

The holders of the Series H Shares will not (except as otherwise provided by law and, except as noted below, in respect of meetings of the holders of Preferred Shares as a class and meetings of holders of Series H Shares as a series) be entitled to receive notice of, attend, or vote at, any meeting of shareholders of the Corporation, unless and until the Corporation shall have failed to pay four quarterly dividends on the Series H Shares, whether or not consecutive and whether or not such dividends have been declared and whether or not there are any monies of the Corporation properly applicable to the payment of such dividends. In the event the Corporation shall have failed to pay four quarterly dividends on the Series H Shares, and for only so long as any such dividends remain in arrears, the holders of the Series H Shares as at the applicable record date will be entitled to receive notice of and to attend each meeting of the Corporation's shareholders which takes place more than 60 days after the date on which such non-payment of the fourth quarterly dividend on the Series H Shares occurred, other than meetings at which only holders of another specified class or series are entitled to vote, and be entitled to vote together with all of the voting shares of the Corporation on the basis of one vote in respect of each Series H Share held by such holder, until all such arrears of such dividends shall have been paid, whereupon such rights shall cease.

Subject to applicable law, holders of the Series H Shares will not be entitled to vote separately as a class or series on a proposal to amend the articles of the Corporation to (a) increase any maximum number of authorized shares of a class or series having rights or privileges equal to or superior to the Series H Shares or (b) create a new class or series of shares equal or superior to the Series H Shares.

#### *Tax Election*

The Series H Shares will be "taxable preferred shares" as defined in the Tax Act. The Corporation will elect, in the manner and within the time provided under Part VI.1 of the Tax Act, to pay or cause payment of the tax, under Part VI.1 of the Tax Act at a rate such that the corporate holders of Series H Shares will not be required to pay tax under Part IV.1 of the Tax Act on dividends received (or deemed to be received) on such shares.

### *Business Day*

If any action is required to be taken by the Corporation in relation to the Series H Shares on a day that is not a Business Day, then such action will be required to be taken on the next succeeding day that is a Business Day.

### **EARNINGS COVERAGE RATIO**

Earnings coverage is equal to income before interest expense on all long-term debt, debentures, and income taxes, divided by interest expense on all long-term debt and debentures. The following earnings coverage ratios are calculated on a consolidated basis for the twelve month periods ended December 31, 2014 and March 31, 2015 and are derived from the audited and unaudited consolidated financial information of the Corporation incorporated by reference in this prospectus supplement.

Before giving effect to the issuance of the Securities, the Corporation's dividend requirements and borrowing costs for the twelve month periods ended December 31, 2014 and March 31, 2015 was \$163.7 million and \$202.9 million, respectively, and its profit or loss before deducting borrowing costs and income taxes was \$201.4 million for the twelve month period ended December 31, 2014, with its income before deducting borrowing costs and income taxes being \$278.3 million for the twelve month period ended March 31, 2015. For the twelve month periods ended December 31, 2014 and March 31, 2015, this results in an earning coverage ratio of approximately 1.2 times and 1.4 times the Corporation's borrowing cost requirements, respectively.

After giving *pro forma* effect to the issuance of the Securities (excluding any exercise of the Over-Allotment Options) to be distributed under this prospectus supplement, the Corporation's *pro forma* dividend requirements and borrowing cost requirement for the twelve month periods ended December 31, 2014 and March 31, 2015 was approximately \$204.2 million and approximately \$244.2 million, respectively, and its profit or loss before deducting borrowing costs and income taxes was approximately \$201.4 million for the twelve month period ended December 31, 2014, and its income before deducting borrowing costs and income taxes was approximately \$278.3 million for the twelve month period ended March 31, 2015. These result in a coverage of approximately 1.0 times the Corporation's *pro forma* borrowing cost requirement for the twelve month period ended December 31, 2014, and coverage of approximately 1.1 times the Corporation's *pro forma* borrowing cost requirement for March 31, 2015.

### **PLAN OF DISTRIBUTION**

Pursuant to an underwriting agreement (the "Underwriting Agreement") dated May 22, 2015 among the Corporation and the Underwriters, the Corporation has agreed to sell, and the Subscription Receipt Underwriters, the Debenture Underwriters and the Preferred Shares Underwriters have severally, and not jointly and severally, agreed to purchase, as principals, subject to compliance with the terms and conditions contained therein and to all necessary legal requirements, on May 29, 2015 or such earlier or later date as the Corporation and BMO, on behalf of the Underwriters, may agree, but in any event no later than June 11, 2015, subject to the conditions stipulated in the Underwriting Agreement: (i) 108,850,000 Subscription Receipts offered hereby at a price of \$17.00 per Subscription Receipt for total gross proceeds of \$1,850,450,000; (ii) \$500,000,000 aggregate principal amount of Debentures offered hereby at a price of \$1,000 per Debenture; and (iii) 6,000,000 6.50% Series G Shares at a price of \$25.00 per Series G Share for total gross proceeds of \$150 million, payable in cash to the Subscription Receipt Agent in the case of the Subscription Receipts (less 50% of the Underwriters' Fee for Subscription Receipts) and to the Corporation in the case of the Debentures and Series G Shares against delivery by the Corporation of the Subscription Receipts, the Debentures and the Series G Shares.

The Securities are being offered to the public in all of the provinces of Canada. The terms of the Offering and the offering prices of the Subscription Receipts, Debentures and Series G Shares were determined by negotiation between the Corporation and the Subscription Receipt Underwriters, the Debenture Underwriters and the Preferred Shares Underwriters, respectively.

The summary of certain provisions of the Underwriting Agreement contained herein does not purport to be complete and is qualified in its entirety by reference to the provisions of the Underwriting Agreement, a copy of which has been filed with the securities commissions in Canada and is available on SEDAR at [www.sedar.com](http://www.sedar.com).

The Corporation has granted to the Subscription Receipt Underwriters the Subscription Receipt Over-Allotment Option, exercisable in whole or in part at any time not later than the earlier of (i) the 30th day following the date of the Offering Closing, and (ii) the occurrence of an Underwriting Termination Event, to purchase up to an additional 10,885,000 Subscription Receipts (or Common Shares, as the case may be) at a price of \$17.00 per Subscription Receipt (or Common Share, as the case may be) on the same terms and conditions as under the Offering, solely for market stabilization purposes and to cover over-allotments, if any.

The Corporation has also granted to the Debenture Underwriters the Debenture Over-Allotment Option, exercisable in whole or in part at any time not later than the earlier of (i) the 30th day following the date of the Offering Closing, and (ii) the occurrence of an Underwriting Termination Event, to purchase up to an additional \$75,000,000 aggregate principal amount of Debentures on the same terms and conditions as under the Offering, solely for market stabilization purposes and to cover the Underwriters over-allocation position, if any.

The Corporation has also granted to the Preferred Shares Underwriters the Series G Shares Over-Allotment Option, exercisable in whole or in part at any time not later than the 30th day following the date of the Offering Closing.

This prospectus supplement qualifies the distribution of the Subscription Receipts (or Common Shares, as the case may be), Debentures and Series G Shares issuable on the exercise of the Over-Allotment Options, as well as the underlying Common Shares if the Over-Allotment Options are exercised in whole or in part following the Acquisition Closing. A purchaser who acquires Subscription Receipts, Debentures, Series G Shares or Common Shares forming part of the over-allotment position acquires such Subscription Receipts, Debentures, Series G Shares or Common Shares under this prospectus supplement regardless of whether the over-allotment position is filled through the exercise of the Over-Allotment Options or secondary market purchases.

The Underwriting Agreement provides that the Corporation will pay the Underwriters' Fee for Subscription Receipts of \$0.6375 per Subscription Receipt, Underwriters' Fee for Debentures of \$37.50 per Debenture and Underwriters' Fee for Series G Shares of \$0.25 per Series G Share for institutions and \$0.75 per Series G Share for all other sales (collectively, the "Underwriters' Fees") in consideration for their services in connection with the Offering. The Underwriters' Fee for Subscription Receipts is payable as to 50% upon the Offering Closing (and, as applicable, upon the closing of the exercise of the Subscription Receipt Over-Allotment Option) and 50% upon the delivery of notice of the closing of an Eligible Transaction. If a Termination Event occurs, the Underwriters' Fee for Subscription Receipts will be reduced to the amount payable upon the Offering Closing. The entire Underwriters' Fee for Debentures and the Underwriters' Fee for Series G Shares is payable in full upon the Offering Closing.

The obligations of the Underwriters under the Underwriting Agreement may be terminated upon the occurrence of certain stated events, including if: (a) *material adverse change* – in the opinion of the Underwriter, acting reasonably, there shall have occurred any material change or change in material fact in relation to the Corporation or there shall be discovered any previously undisclosed material fact and any new material fact in each case which would be expected to result in a material adverse effect on the business, operations or capital of the Corporation or have a material adverse effect on the market price or value of the Securities; (b) *disaster out* - there should develop, occur or come into effect or existence any event, action, state, condition or major financial occurrence of national or international consequence (including terrorism) or any law or regulation which, in the opinion of the Underwriters, acting reasonably, materially adversely affects or involves, or might reasonably be expected to materially adversely affect or involve, the financial markets or the business, operations or affairs of the Corporation and its subsidiaries, taken as a whole; (c) *regulatory out* - any inquiry, action, investigation or other proceeding (whether formal or informal) is made, announced or threatened or any order is issued by any federal, provincial, state, municipal or other governmental department, commission, board, bureau, agency, regulatory authority or other instrumentality including, without limitation, the TSX or any securities regulatory authority involving the Corporation, the Corporation's securities, directors or officers except for any inquiry, action, investigation or other proceeding based upon activities of the Underwriters and not upon activities of the Corporation) or any law or regulation is enacted or changed which, in the opinion of the Underwriters, acting reasonably, prevents or restricts trading in or the distribution of the Securities or materially and adversely affects or might reasonably be expected to materially and adversely affect the market price or value of the Securities; (d) *cease trade* - trading in any securities of the Corporation has been, or is threatened to be, suspended by any securities commission in the provinces of Canada or the TSX; or (e) *breach* – the Corporation is in breach of any term, condition or covenant of the Underwriting Agreement or any representation or warranty given by the Corporation in the Underwriting Agreement becomes or is false. The Underwriters are, however, obligated to take up and pay for all the Securities if any Securities are purchased under the Underwriting Agreement.

The Underwriters may not, throughout the period of distribution, bid for or purchase the Securities. The foregoing restriction is subject to certain exemptions, as long as the bid or purchase is not engaged in for the purpose of creating actual or apparent active trading in, or raising the price of, the Securities. These exceptions include a bid or purchase permitted under the Universal Market Integrity Rules administered by the Investment Industry Regulatory Organization of Canada relating to market stabilization and passive market-making activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution. In connection with the Offering, the Underwriters may effect transactions which stabilize or maintain the market price of the Securities at a level above that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

Pursuant to the Underwriting Agreement, Element has agreed that it will not, directly or indirectly, without the written consent of BMO, on behalf of the Underwriters, such consent not to be unreasonably withheld for a period of ninety (90) days following the Offering Closing, issue or announce the issue of any Common Shares, preferred shares or any securities or other financial instruments convertible into or exchangeable for or exercisable to acquire Common Shares or preferred shares, as applicable (other than: (i) as contemplated by the Underwriting Agreement; (ii) pursuant to the grant or exercise of stock options and other similar issuances pursuant to the existing option and incentive plans of the Corporation and other existing compensation arrangements; (iii) in connection with *bona fide* asset or share acquisitions by the Corporation in the normal course of business), or enter into any agreement or arrangement under which the Corporation acquires or transfers to another, in whole or in part, any of the economic consequences of ownership of Common Shares or preferred shares, whether that agreement or arrangement may be settled by the delivery of Common Shares, preferred shares or other securities or cash or agree to become bound to do so, or disclose to the public any intention to do so.

The TSX has conditionally approved the listing of each of the Securities (including the Securities forming part of the Over-Allotment Options and issuable upon exchange or conversion of the Securities). Listing is subject to the Corporation fulfilling all of the requirements of the TSX on or prior to August 21, 2015.

The Securities have not been and will not be registered under the U.S. Securities Act, or any state securities laws and, subject to certain exemptions, may not be offered or sold within the United States. The distribution of this prospectus supplement and the offering and sale of the Securities are also subject to certain restrictions under the laws of certain other jurisdictions outside of Canada. Each Underwriter has agreed that it will not offer for sale or sell or deliver the Securities in any such jurisdiction except in accordance with the laws thereof. The Underwriters have agreed that they will not offer or sell the Securities within the United States except to “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act), in accordance with the exemption from the registration requirements of the U.S. Securities Act provided by Rule 144A under the U.S. Securities Act and pursuant to similar exemptions under applicable state securities laws. This prospectus supplement does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States. The Underwriters may also offer and sell Securities outside the United States in accordance with Regulation S under the U.S. Securities Act. In addition, until 40 days after the Offering Closing, an offer or sale of Securities, or any Common Shares issuable in exchange for the Subscription Receipts or upon conversion, redemption or maturity of the Debentures within the United States by any dealer (whether or not participating in the Offering) may violate the registration provisions of the U.S. Securities Act unless such offer is made pursuant to an exemption from registration under the U.S. Securities Act.

The Underwriters propose to offer the Securities initially at the offering price specified on the cover page of this prospectus supplement. After the Underwriters have made a reasonable effort to sell all of the Securities at the price specified on the cover page, the offering price may be decreased and may be further changed from time to time to an amount not greater than that set out on the cover page, and the compensation realized by the Underwriters will be decreased by the amount that the aggregate price paid by purchasers for the Securities is less than the price paid by the Underwriters to the Corporation.

The determination of the terms of the distribution, including the issue price of the Securities, was made through negotiations between the Corporation and the Underwriters.

#### **RELATIONSHIP BETWEEN ELEMENT AND CERTAIN UNDERWRITERS**

BMO is a co-administrative agent of the Fleet Lease Receivables Securitization Facility and administrator of an asset backed conduit that is an investor in the Fleet Lease Receivables Securitization Facility. BMO is an affiliate of a Canadian Schedule I bank (i) that is a member of the lending syndicate to the Corporation under the Senior Credit Facility; (ii) that is a lender to a U.S. affiliate of the Corporation under a U.S. securitization funding facility; (iii) that is a hedge counterparty to the Fleet Lease Receivables Securitization Facility; and (iv) that guarantees the purchase commitments of an asset backed conduit administered by BMO that is an investor in the Fleet Lease Receivables Securitization Facility. Consequently, the Corporation may be considered a “connected issuer” to BMO under applicable securities laws in certain Provinces and Territories of Canada. As at March 31, 2015, there was \$1.13 billion outstanding under the Senior Credit Facility. As at March 31, 2015, there was \$529.11 million outstanding under the U.S. securitization funding facility.

The Corporation is in compliance with the terms of the Senior Credit Facility and, since the execution of the Senior Credit Facility, there has been no breach or waiver of a breach of the Senior Credit Facility. The Senior Credit Facility is secured by all of the undertaking and property of the Corporation pursuant to a general security agreement. The financial position of the Corporation has not changed in any material adverse manner since the Senior Credit Facility was entered into. The Corporation has requested an amendment to the Senior Credit Facility pursuant to which the lenders thereunder agree, among other things, to the payment by the

Corporation of the outstanding principal under the Debentures on the Initial Maturity Date pursuant to and in accordance with the Indenture. The amendment is expected to be received from the lenders prior to the Offering Closing. As at March 31, 2015, there was approximately \$993.94 million outstanding under the Fleet Lease Receivables Securitization Facility. The Corporation and the affiliates of the Corporation are in compliance with the terms of the Fleet Lease Receivables Securitization Facility and, since the execution of the Fleet Lease Receivables Securitization Facility, there has been no breach or waiver of a breach of the terms of the Fleet Lease Receivables Securitization Facility. The financial position of the Corporation has not changed in any material adverse manner since the Fleet Lease Receivables Securitization Facility was entered into. The Corporation is in compliance with the terms of the U.S. securitization facility to which BMO is connected and, since the execution of this U.S. securitization facility, there has been no breach or waiver of a breach of the U.S. securitization facility. The financial position of the Corporation has not changed in any material adverse manner since the U.S. securitization facility was entered into.

In addition, CIBC, is an affiliate of a Canadian Schedule I bank (i) that is a member of the lending syndicate to the Corporation under the Senior Credit Facility; (ii) that is a co-administrative agent of the Fleet Lease Receivables Securitization Facility; (iii) that is an investor in the Fleet Lease Receivables Securitization Facility; (iv) that is the funding agent of asset backed conduits that are investors in the Fleet Lease Receivables Securitization Facility; and (v) that is a hedge counterparty to the Fleet Lease Receivables Securitization Facility. Consequently, the Corporation may be considered a “connected issuer” to CIBC under applicable securities laws in certain Provinces and Territories of Canada.

In addition, each of RBC and NBF is an affiliate of a Canadian Schedule I bank (i) that is a member of the lending syndicate to the Corporation under the Senior Credit Facility and (ii) that is the funding agent of an asset backed conduit that is an investor in the Fleet Lease Receivables Securitization Facility. Consequently, the Corporation may be considered a “connected issuer” to each of RBC and NBF under applicable securities laws in certain Provinces and Territories of Canada.

MSI is an affiliate of a Canadian life insurance company that is a lender to the Corporation under the Term Funding Facility. Consequently, the Corporation may be considered a “connected issuer” to MSI under applicable securities laws in certain Provinces and Territories of Canada. As at March 31, 2015, there was approximately \$152.19 million outstanding under the Term Funding Facility. The Corporation is in compliance with the terms of the Term Funding Facility and, since the execution of the Term Funding Facility, there has been no breach or waiver of a breach of the Term Funding Facility. Indebtedness under the Term Funding Facility is secured by the portfolio of finance receivables under the Term Funding Facility, including cash reserves. The financial position of the Corporation has not changed in any material adverse manner since the Term Funding Facility was entered into. Consequently, the Corporation may also be considered a “connected issuer” to MSI under applicable securities laws in certain Provinces and Territories of Canada.

Barclays, CIBC, RBC, CSS and TD are affiliates of Canadian chartered banks that are members of the lending syndicate to the Corporation under the Senior Credit Facility. Consequently, the Corporation may also be considered a “connected issuer” to Barclays, CSS and TD under applicable securities laws in certain Provinces and Territories of Canada.

Barclays, CIBC and RBC are affiliates of Canadian chartered banks that are lenders to a U.S. affiliate of the Corporation under a U.S. securitization funding facility. As at March 31, 2015, there was approximately \$5.27 billion outstanding under this U.S. securitization funding facility. The Corporation is in compliance with the terms of this U.S. securitization funding facility and, since the execution of the U.S. securitization funding facility, there has been no breach or waiver of a breach of this U.S. securitization funding facility. The financial position of the Corporation has not changed in any material adverse manner since this U.S. securitization funding facility was entered into.

The decision to issue the Securities and the determination of the terms of the distribution, including the price of the Securities, were made through negotiations between the Corporation and the Underwriters. The lenders or investors, as applicable, under any of the Senior Credit Facility, the Fleet Lease Receivables Securitization Facility, the Term Funding Facility or the U.S. securitization funding facilities did not have any involvement in such decision or determination, but have been advised of the issuance and terms thereof.

The net proceeds from the Offering have not and will not be applied for the benefit of any lenders to or investors or counterparties under any of the Senior Credit Facility, the Fleet Lease Receivables Securitization Facility or the Term Funding Facility. As a consequence of this issuance, each of BMO, Barclays, CIBC, NBF, RBC, TD, CSS and MSI received their respective proportionate share of the Underwriters’ Fee.

## CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Blake, Cassels & Graydon LLP, counsel to the Corporation, and Osler, Hoskin & Harcourt LLP, counsel to the Underwriters (collectively, “Legal Counsel”), the following summary describes the principal Canadian federal income tax considerations pursuant to the *Income Tax Act* (Canada) (including the regulations thereunder, the “Tax Act”) generally applicable to the acquisition, holding and disposition of Subscription Receipts, Debentures, Series G Shares, Series H Shares and Common Shares by a holder who acquires, as beneficial owner, Subscription Receipts, Debentures or Series G Shares pursuant to the Offering and Common Shares either pursuant to such Subscription Receipts or on the conversion, redemption or maturity of such Debentures or Series H Shares on a conversion of Series G Shares (for purposes of this section, collectively, the “Subject Securities”) and who, for purposes of the Tax Act and at all relevant times, holds the Subject Securities as capital property, deals at arm’s length with the Corporation and the Underwriters and is not affiliated with the Corporation or the Underwriters (a “Holder”). Generally, Subject Securities will be considered to be capital property to a Holder provided the holder does not hold the Subject Securities in the course of carrying on a business of trading or dealing in securities and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade.

This summary is not applicable to a holder (i) that is a “financial institution” (as defined in the Tax Act for the purposes of the market-to-market rules), (ii) an interest in which would be a “tax shelter investment” (as defined in the Tax Act), (iii) that is a “specified financial institution” (as defined in the Tax Act), (iv) that has elected to report its “Canadian tax results” (as defined in the Tax Act) in a currency other than Canadian currency, (v) that has entered or will enter into a “derivative forward agreement” (as defined in the Tax Act) with respect to Subject Securities, or (vi) that is a corporation resident in Canada and is, or becomes as part of a transaction or event or series of transactions or events that include the acquisition of Subject Securities, controlled by a non-resident corporation for the purposes of section 212.3 of the Tax Act. **Any such holder should consult its own tax advisor with respect to an investment in Subject Securities.** In addition, this summary does not address the deductibility of interest by a holder who has borrowed money or otherwise incurred debt in connection with the acquisition of any Subject Securities.

This summary is based upon the provisions of the Tax Act in force as of the date hereof, all specific proposals to amend the Tax Act that have been publicly announced by or on behalf of the Minister of Finance prior to the date hereof (the “Proposed Amendments”) and Legal Counsel’s understanding of the current administrative policies and assessing practices of the Canada Revenue Agency (the “CRA”) made publicly available prior to the date hereof. This summary assumes the Proposed Amendments will be enacted in the form proposed, however, no assurance can be given that the Proposed Amendments will be enacted in the form proposed, if at all. This summary is not exhaustive of all possible Canadian federal income tax considerations and, except for the Proposed Amendments, does not take into account any changes in the law or administrative policy or assessing practice, whether by legislative, governmental or judicial action, nor does it take into account provincial, territorial or foreign tax considerations, which may differ significantly from those discussed herein.

**This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular holder or prospective holder of Subject Securities, and no representations with respect to the income tax consequences to any holder or prospective holder are made. Consequently, holders and prospective holders of Subject Securities should consult their own tax advisors for advice with respect to the tax consequences to them of acquiring Subscription Receipts, Debentures or Series G Shares pursuant to this Offering, having regard to their particular circumstances.**

### Holders Resident in Canada

The following discussion applies to a Holder who, at all relevant times, for purposes of the Tax Act, is or is deemed to be resident in Canada (a “Canadian Holder”). Certain holders of Debentures, Series G Shares, Series H Shares or Common Shares who are residents of Canada and who might not otherwise be considered to hold their Debentures, Series G Shares, Series H Shares or Common Shares as capital property may, in certain circumstances, be entitled to have the Debentures, Series G Shares, Series H Shares and Common Shares, and all other “Canadian securities” (as defined in the Tax Act) owned by such holders in the taxation year of the election and any subsequent taxation year, treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. This election is not available in respect of Subscription Receipts. Canadian Holders should consult their own tax advisors regarding this election.

## ***Taxation of Canadian Holders of Debentures***

### ***Taxation of Interest on Debentures***

A Canadian Holder of Debentures that is a corporation, partnership, unit trust or any trust of which a corporation or a partnership is a beneficiary will be required to include in computing its income for a taxation year any interest on the Debentures (i) that accrues or that is deemed to accrue to it to the end of the particular taxation year, or (ii) that has become receivable by or is received by the Canadian Holder before the end of that taxation year, including on a conversion, redemption or repayment at maturity, except to the extent that such interest was included in computing the Canadian Holder's income for a preceding taxation year.

Any other Canadian Holder, including an individual and a trust of which neither a corporation nor a partnership is a beneficiary, will be required to include in computing income for a taxation year all interest on the Debentures that is received or receivable by the Canadian Holder in that taxation year (depending upon the method regularly followed by the Canadian Holder in computing income), except to the extent that the interest was included in the Canadian Holder's income for a preceding taxation year. In addition, if such Canadian Holder has not otherwise included all interest that accrued on the Debentures in computing the Canadian Holder's income at periodic intervals of not more than one year, such Canadian Holder will be required to include in computing income for a taxation year any interest that accrues to the Canadian Holder on the Debenture up to the end of any "anniversary day" (as defined in the Tax Act) in that year to the extent such interest was not otherwise included in the Canadian Holder's income for that year or a preceding taxation year.

A Canadian Holder of Debentures that throughout the relevant taxation year is a "Canadian-controlled private corporation", as defined in the Tax Act, may be liable to pay a refundable tax on its "aggregate investment income", which generally includes interest income.

As described in this prospectus supplement under the heading "Description of the Debentures — Interest Payment Election", the Corporation may, subject to certain conditions, elect to pay interest by issuing Common Shares to the Debenture Trustee for sale, in which event a Canadian Holder would be entitled to receive a cash payment equal to the interest payable from the proceeds of the sale of such Common Shares. If the Corporation were to pay interest in this manner, the Canadian federal income tax consequences to a Canadian Holder would generally be the same as those described above.

### ***Exercise of the Conversion Privilege***

Generally, a Canadian Holder that converts a Debenture into Common Shares pursuant to its right of conversion under the terms of the Debenture and only receives Common Shares upon such conversion (other than cash delivered in lieu of a fraction of a Common Share) will be deemed not to have disposed of the Debenture and, accordingly, will not be considered to realize a capital gain (or capital loss) upon such conversion. Under the current administrative practice of the CRA, a Canadian Holder who, upon conversion of a Debenture, receives cash not in excess of \$200 in lieu of a fraction of a Common Share may either treat this amount as proceeds of disposition of a portion of the Debenture, thereby realizing a capital gain (or capital loss), or reduce the adjusted cost base of the Common Shares that the Canadian Holder receives upon conversion by the amount of the cash received.

The aggregate cost to a Canadian Holder of the Common Shares acquired upon conversion of a Debenture will generally be equal to the aggregate of the adjusted cost base to the Canadian Holder of the Debenture immediately before the conversion, minus any reduction of adjusted cost base for fractional shares as discussed above. The adjusted cost base to a Canadian Holder of Common Shares acquired at any time will be determined by averaging the cost of such Common Shares with the adjusted cost base of any other Common Shares owned by the Canadian Holder as capital property at the time.

Upon conversion of a Debenture, interest accrued thereon will be included in computing the income of the Canadian Holder as described above under "Holders Resident in Canada — Taxation of Canadian Holders of Debentures — Taxation of Interest on Debentures".

### ***Other Disposition of Debentures***

A Canadian Holder that disposes of a Debenture (including due to a redemption, payment of the Debenture on maturity or purchase of the Debenture for cancellation, but not including conversion of a Debenture into Common Shares pursuant to the Canadian Holder's conversion privilege as described above), will generally realize a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition of the Debenture, net of any amount otherwise required to be included in the Canadian Holder's income as interest, as described below, exceed (or are less than) the aggregate of the adjusted cost base of the Debenture to the Canadian Holder

and any reasonable costs of disposition. The treatment of capital gains and losses is described below under the heading “Holders Resident in Canada — Taxation of Canadian Holders of Common Shares — Taxation of Capital Gains and Capital Losses”.

Upon a disposition or deemed disposition of a Debenture by a Canadian Holder, the Canadian Holder will be required to include in computing income the amount of interest accrued on the Debenture from the date of the last interest payment to the date of disposition to the extent that such amount has not otherwise been included in computing the Canadian Holder’s income for the taxation year or a previous taxation year, and such amount will be excluded in computing the Canadian Holder’s proceeds of disposition of the Debenture as described above.

If the Corporation pays any amount upon the redemption, purchase or maturity of a Debenture by issuing Common Shares to the Canadian Holder (but not including by the conversion of a debenture into Common Shares pursuant to the Canadian Holder’s conversion privilege as described above), the Canadian Holder’s proceeds of disposition of the Debenture will be equal to the fair market value, at the time of disposition of the Debenture, of the Common Shares and any other consideration so received (except consideration received in satisfaction of accrued interest). The cost to the Canadian Holder of the Common Shares so received will be equal to the fair market value of such Common Shares. The adjusted cost base to a Canadian Holder of Common Shares acquired at any time will be determined by averaging the cost of such Common Shares with the adjusted cost base of any other Common Shares owned by the Canadian Holder as capital property at the time.

### ***Taxation of Canadian Holders of Subscription Receipts***

#### *Acquisition of Common Shares Pursuant to Terms of the Subscription Receipts*

A Canadian Holder of Subscription Receipts will not realize any capital gain or capital loss upon the acquisition of Common Shares pursuant to the terms of Subscription Receipts.

The cost of a Common Share received pursuant to the terms of a Subscription Receipt will generally be the subscription price of such Subscription Receipt. The adjusted cost base to a Canadian Holder of Common Shares acquired at any time will be determined by averaging the cost of such Common Shares with the adjusted cost base immediately before that time of any other Common Shares owned by the Canadian Holder as capital property at such time.

#### *Other Dispositions of Subscription Receipts*

A disposition or deemed disposition by a Canadian Holder of a Subscription Receipt (other than on the acquisition of a Common Share pursuant to the terms of Subscription Receipts as discussed above) will generally result in the Canadian Holder realizing a capital gain (or capital loss) equal to the amount by which the proceeds of disposition exceed (or are less than) the aggregate of the Canadian Holder’s adjusted cost base thereof and any reasonable costs of disposition. Any such capital gain (or capital loss) realized will be subject to the tax treatment described below under “Holders Resident in Canada — Taxation of Canadian Holders of Common Shares — Taxation of Capital Gains and Capital Losses”. The cost to a Canadian Holder of a Subscription Receipt will generally be the amount paid to acquire the Subscription Receipt. The adjusted cost base to a Canadian Holder of Subscription Receipts acquired at any time will be determined by averaging the cost of such Subscription Receipts with the adjusted cost base immediately before that time of any other Subscription Receipts owned by the Canadian Holder as capital property at such time.

In the event that a Canadian Holder becomes entitled to the repayment of the issue price of a Subscription Receipt as a consequence of a Termination Event, any amount that is paid to the holder by the Corporation as, or on account of, Earned Interest and Deemed Interest and that is included in the Canadian Holder’s income as described below, will be excluded from the Canadian Holder’s proceeds of disposition.

#### *Pro Rata Share of Interest*

In the event that a Termination Event occurs, holders of Subscription Receipts shall be entitled to receive from the Subscription Receipt Agent an amount equal to the full subscription price thereof plus their pro rata share of any Earned Interest and Deemed Interest.

Where a Canadian Holder is a corporation, partnership, unit trust or any trust of which a corporation or a partnership is a beneficiary, it will be required to include in computing its income for a taxation year the amount of Earned Interest and Deemed Interest that accrued to the Canadian Holder to the end of the Canadian Holder’s taxation year, or that is receivable or received by the Canadian



Holder before the end of that taxation year, except to the extent that such interest was included in computing the Canadian Holder's income for a preceding taxation year.

Any other Canadian Holder, including an individual and a trust of which neither a corporation nor a partnership is a beneficiary, will be required to include in computing income for a taxation year its share of any Earned Interest and Deemed Interest that is receivable or received by the Canadian Holder in that taxation year, depending upon the method regularly followed by the Canadian Holder in computing income.

Any amount of Earned Interest and Deemed Interest included in the Canadian Holder's income as described above will be excluded from the Canadian Holder's proceeds of disposition of the Subscription Receipts.

A Canadian Holder that is, throughout the relevant taxation year, a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay a refundable tax on its "aggregate investment income", which includes certain income from property (including the Canadian Holder's share of Earned Interest and Deemed Interest).

### ***Taxation of Canadian Holders of Series G Shares and Series H Shares***

#### ***Dividends on Series G Shares and Series H Shares***

Dividends received or deemed to be received on the Series G Shares or the Series H Shares by a Canadian Holder who is an individual (other than certain trusts) will be included in the individual's income and generally will be subject to the gross-up and dividend tax credit rules applicable to taxable dividends received by individuals from taxable Canadian corporations, including the enhanced dividend tax credit rules applicable to any dividends (including deemed dividends) designated by the Corporation as "eligible dividends" in accordance with the Tax Act. Dividends received or deemed to be received by an individual (including certain trusts) may give rise to a liability for alternative minimum tax.

Dividends received or deemed to be received on the Series G Shares or the Series H Shares by a Canadian Holder that is a corporation will be included in computing its income and will generally be deductible in computing its taxable income, subject to the detailed rules in the Tax Act. A "private corporation", as defined in the Tax Act, or any other corporation controlled by or for the benefit of an individual (other than a trust) or a related group of individuals (other than trusts), will generally be liable to pay refundable tax under Part IV of the Tax Act of 33 1/3% on dividends received (or deemed to be received) on the Series G Shares and the Series H Shares to the extent such dividends are deductible in computing its taxable income.

The Series G Shares and the Series H Shares will be "taxable preferred shares" as defined in the Tax Act. The terms of the Series G Shares and the Series H Shares require the Corporation to make the necessary election under Part VI.1 of the Tax Act so that corporate Holders will not be subject to tax under Part IV.1 of the Tax Act on dividends received (or deemed to be received) on the Series G Shares or the Series H Shares.

#### ***Dispositions of Series G Shares and Series H Shares***

A Canadian Holder who disposes of or is deemed to dispose of a Series G Share or a Series H Share (including on a redemption or other acquisition by the Corporation for cash, but not on conversion of Series G Shares into Series H Shares or Series H Shares into Series G Shares, as the case may be) will generally realize a capital gain (or sustain a capital loss) to the extent that the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of such share to such Canadian Holder. Any such capital gain (or capital loss) realized will be subject to the tax treatment described below under "Holders Resident in Canada – Taxation of Canadian Holders of Common Shares – Taxation of Capital Gains and Capital Losses". For this purpose, the adjusted cost base to a Canadian Holder of Series G Shares will be determined at any time by averaging the cost of such Series G Shares with the adjusted cost base of any other Series G Shares owned by the Canadian Holder as capital property immediately before that time. Similarly, the adjusted cost base to a Canadian Holder of Series H Shares will be determined at any time by averaging the cost of such Series H Shares with the adjusted cost base of any other Series H Shares owned by the Canadian Holder as capital property immediately before that time. The amount of any deemed dividend arising on the redemption or purchase for cancellation by the Corporation of Series G Shares or Series H Shares, as the case may be, will not generally be included in computing the proceeds of disposition to a Canadian Holder for purposes of computing the capital gain or capital loss arising on the disposition of such shares. See "Holders Resident in Canada – Taxation of Canadian Holders of Series G Shares and Series H Shares – Redemption of Series G Shares and Series H Shares" below.

#### ***Redemption of Series G Shares and Series H Shares***

If the Corporation redeems or otherwise acquires a Series G Share or a Series H Share, as the case may be, other than by a purchase in the open market in the manner in which shares are normally purchased by any member of the public in the open market, or a conversion as discussed below, the Canadian Holder will be deemed to have received a dividend equal to the amount, if any, paid by the Corporation in excess of the paid-up capital (as determined for purposes of the Tax Act) of such share at such time. See “Holders Resident in Canada – Taxation of Canadian Holders of Series G Shares and Series H Shares – Dividends on Series G Shares and Series H Shares” above. Generally, the difference between the amount paid by the Corporation and the amount of the deemed dividend will be treated as proceeds of disposition for the purposes of computing the capital gain or capital loss arising on the disposition of such share. See “Holders Resident in Canada – Taxation of Canadian Holders of Series G Shares and Series H Shares – Dispositions of Series G Shares and Series H Shares” above. In the case of a corporate Canadian Holder, it is possible that in certain circumstances all or part of the deemed dividend may be treated as proceeds of disposition and not as a dividend.

#### *Conversion of Series G Shares and Series H Shares*

The conversion of a Series G Share into a Series H Share or a Series H Share into a Series G Share will be deemed not to be a disposition of property and accordingly will not give rise to any capital gain or capital loss. The cost to a Canadian Holder of a Series H Share or Series G Share, as the case may be, received on the conversion will be deemed to be equal to the Holder’s adjusted cost base of the converted Series G Share or Series H Share, as the case may be, immediately before the conversion and will be subject to cost averaging as described under “Holders Resident in Canada – Taxation of Canadian Holders of Series G Shares and Series H Shares – Dispositions of Series G Shares and Series H Shares” above.

#### ***Taxation of Canadian Holders of Common Shares***

##### *Dividends on Common Shares*

Dividends received or deemed to be received on Common Shares held by a Canadian Holder will be included in the Canadian Holder’s income for the purposes of the Tax Act.

Such dividends received by a Canadian Holder that is an individual (other than certain trusts) will be subject to the gross-up and dividend tax credit rules in the Tax Act normally applicable to dividends received from taxable Canadian corporations, including the enhanced gross-up and dividend tax credit in respect of dividends designated by the Corporation as “eligible dividends”.

Taxable dividends received by a Canadian Holder who is an individual (other than certain trusts) may result in such Canadian Holder being liable for alternative minimum tax under the Tax Act. Canadian Holders who are individuals should consult their own tax advisors in this regard.

A Canadian Holder that is a corporation will include such dividends in computing its income and generally will be entitled to deduct the amount of such dividends in computing its taxable income, subject to the detailed rules in the Tax Act. A “private corporation” as defined in the Tax Act or any other corporation controlled for the benefit of an individual (other than a trust) or a related group of individuals (other than trusts) may be liable under Part IV of the Tax Act to pay a refundable tax of 33 1/3% of dividends received or deemed to be received on the Common Shares to the extent such dividends are deductible in computing the Canadian Holder’s taxable income.

##### *Disposition of Common Shares*

A disposition or a deemed disposition of a Common Share by a Canadian Holder (except to the Corporation) will generally result in the Canadian Holder realizing a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition of the Common Share exceed (or are less than) the aggregate of the adjusted cost base to the Canadian Holder thereof and any reasonable costs of disposition. Such capital gain (or capital loss) will be subject to the tax treatment described below under “Holders Resident in Canada — Taxation of Canadian Holders of Common Shares — Taxation of Capital Gains and Capital Losses”.

##### *Taxation of Capital Gains and Capital Losses*

Generally, one-half of any capital gain (a “taxable capital gain”) realized by a Canadian Holder in a taxation year must be included in the Canadian Holder’s income for the year, and one-half of any capital loss (an “allowable capital loss”) realized by a Canadian Holder in a taxation year must be deducted from taxable capital gains realized by the Canadian Holder in that year. Allowable capital losses in excess of taxable capital gains realized in a taxation year generally may be carried back and deducted in any of the three

preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years, to the extent and under the circumstances described in the Tax Act.

The amount of any capital loss realized by a Canadian Holder that is a corporation on the disposition of a Common Share may be reduced by the amount of dividends received or deemed to be received by it on such Common Share (or on a share for which the Common Share has been substituted) to the extent and under the circumstances described by the Tax Act. Similar rules may apply where a corporation is a member of a partnership or a beneficiary of a trust that owns Common Shares, directly or indirectly, through a partnership or a trust.

A Canadian Holder that is, throughout the relevant taxation year, a “Canadian-controlled private corporation”, as defined in the Tax Act, may be liable to pay a refundable tax on its “aggregate investment income”, which is defined in the Tax Act to include an amount in respect of taxable capital gains.

Capital gains realized by an individual (including certain trusts) may give rise to liability for alternative minimum tax as calculated under the detailed rules set out in the Tax Act. Canadian Holders who are individuals should consult their own tax advisors in this regard.

### **Holders Not Resident in Canada**

The following discussion applies to a Holder who, at all relevant times, for purposes of the Tax Act (i) is neither resident nor deemed to be resident in Canada, (ii) does not, and is not deemed to, use or hold Subject Securities in a business carried on in Canada, (iii) is entitled to receive all payments (including all principal and interest) made on a Debenture, and (iv) deals at arm’s length with any transferee that is resident in Canada and to whom the Holder disposes of a Debenture (a “Non-Canadian Holder”). In addition, this discussion does not apply to: (i) an insurer who carries on an insurance business in Canada and elsewhere; or (ii) a Non-Canadian Holder that is, or does not deal at arm’s length with, a “specified shareholder” (as defined in subsection 18(5) of the Tax Act) of the Corporation. A “specified shareholder” for these purposes generally includes a person who (either alone or together with persons with whom that person is not dealing at arm’s length for the purposes of the Tax Act) owns or has the right to acquire or control 25% or more of the Corporation’s shares determined on a votes or fair market value basis.

### ***Taxation of Non-Canadian Holders of Debentures***

#### *Taxation of Interest on Debentures*

A Non-Canadian Holder will generally not be subject to Canadian withholding tax in respect of amounts paid or credited or deemed to have been paid or credited by the Corporation as, on account or in lieu of payment of, or in satisfaction of, interest or principal on the Debentures, except as described below. See “Holders Not Resident in Canada — Taxation of Non-Canadian Holders of Debentures — Exercise of Conversion Privilege” and “Risk Factors – Risks Relating Specifically to the Securities - Withholding Tax”.

#### *Exercise of the Conversion Privilege*

Generally, a Non-Canadian Holder that converts a Debenture into Common Shares pursuant to its right of conversion under the terms of the Debenture and only receives Common Shares on such conversion (other than cash delivered in lieu of a fraction of a Common Share), will be deemed not to have disposed of the Debenture and, accordingly, will not be considered to realize a capital gain (or capital loss) upon such conversion.

In the event that a Debenture is converted into Common Shares pursuant to the Non-Canadian Holder’s conversion privilege as described above) or is purchased by any other resident or deemed resident of Canada (a “Canadian Transferee”) from a Non-Canadian Holder, or is otherwise assigned or transferred by a Non-Canadian Holder to a Canadian Transferee, for an amount which exceeds, generally, the issue price thereof, all or a portion of such excess should not be subject to Canadian non-resident withholding tax. See “Risk Factors – Risks Relating Specifically to the Securities - Withholding Tax”.

Upon the conversion of a Debenture, the payment representing interest accrued from the most recent Interest Payment Date to the date of conversion will be subject to the Canadian federal tax considerations described above under “Holders Not Resident in Canada — Taxation of Non-Canadian Holders of Debentures — Taxation of Interest on Debentures”.

#### *Other Disposition of Debentures*

In the event that a Debenture is redeemed, cancelled, repurchased or purchased by the Corporation or is purchased by a Canadian Transferee from a Non-Canadian Holder, or is otherwise assigned or transferred by a Non-Canadian Holder to a Canadian Transferee, for an amount which exceeds, generally, the issue price thereof, all or a portion of such excess should not be subject to Canadian non-resident withholding tax. See “Risk Factors – Risks Relating Specifically to the Securities - Withholding Tax”.

On the disposition or deemed disposition of a Debenture (otherwise than on the conversion of a Debenture into Common Shares pursuant to the Non-Canadian Holder’s conversion privilege as described above), a Non-Canadian Holder will not be subject to tax under the Tax Act in respect of any capital gain realized by such Non-Canadian Holder, unless the Debenture constitutes “taxable Canadian property” (as defined in the Tax Act) of the Non-Canadian Holder at the time of disposition and the holder is not entitled to relief under an applicable income tax convention.

As long as the Common Shares are then listed on a designated stock exchange (which currently includes the TSX), the Debentures will generally not constitute taxable Canadian property of a Non-Canadian Holder, unless at any time during the 60-month period immediately preceding the disposition of the Debentures: (i) (a) the Non-Canadian Holder, (b) persons with whom the Non-Canadian Holder did not deal at arm’s length, (c) partnerships in which the Non-Canadian Holder or a person described in (b) holds a membership interest directly or indirectly through one or more partnership, or (d) any combination of the persons and partnerships described in (a) through (c), owned 25% or more of the issued shares of any class of the capital stock of the Corporation, and (ii) more than 50% of the fair market value of the Common Shares was derived directly or indirectly from one or any combination of: (w) real or immovable property situated in Canada; (x) Canadian resource properties; (y) timber resource properties; and (z) options in respect of, or interests in or for civil law rights in, property described in (w) to (y) (the “TCP Conditions”). A Non-Canadian Holder contemplating a disposition of Debentures that may constitute taxable Canadian property should consult a tax advisor prior to such disposition.

#### ***Taxation of Non-Canadian Holders of Subscription Receipts***

##### *Acquisition of Common Shares pursuant to terms of the Subscription Receipts*

A Non-Canadian Holder of Subscription Receipts will not realize any capital gain or capital loss upon the acquisition of Common Shares pursuant to the terms of Subscription Receipts.

##### *Other Dispositions of Subscription Receipts*

On a disposition of a Subscription Receipt (other than on the acquisition of a Common Share pursuant to the terms of Subscription Receipts as discussed above), a Non-Canadian Holder will not be subject to tax under the Tax Act in respect of any capital gain realized by such Non-Canadian Holder, unless the Subscription Receipt constitutes “taxable Canadian property” (as defined in the Tax Act) of the Non-Canadian Holder at the time of disposition and the holder is not entitled to relief under an applicable income tax convention.

As long as the Common Shares are listed on a designated stock exchange (which currently includes the TSX), the Subscription Receipts will generally not constitute taxable Canadian property of a Non-Canadian Holder, unless at any time during the 60-month period immediately preceding the disposition of the Subscription Receipt the TCP Conditions are met. A Non-Canadian Holder contemplating a disposition of Subscription Receipts that may constitute taxable Canadian property should consult a tax advisor prior to such disposition.

##### *Pro Rata Share of Interest*

In the event that a Termination Event occurs, holders of Subscription Receipts shall be entitled to receive from the Subscription Receipt Agent an amount equal to the full subscription price thereof plus their pro rata share of Earned Interest and Deemed Interest. A Non-Canadian Holder will generally not be subject to Canadian withholding tax in respect of amounts paid or credited or deemed to have been paid or credited by the Corporation as, on account or in lieu of payment of, or in satisfaction of, any such interest.

#### ***Taxation of Non-Canadian Holders of Common Shares***

##### *Dividends on Common Shares*

Any dividends paid or credited, or deemed to be paid or credited, on the Common Shares to a Non-Canadian Holder will be subject to Canadian withholding tax at the rate of 25% of the gross amount of the dividend unless the rate is reduced under the provisions of an applicable income tax convention, which the Non-Canadian Holder is entitled to the benefits of, between Canada and the Non-

Canadian Holder's country of residence. For instance, where the Non-Canadian Holder is a resident of the United States that is entitled to full benefits under the Canada-United States Income Tax Convention (1980), as amended, and is the beneficial owner of the dividends, the rate of Canadian withholding tax applicable to dividends is generally reduced to 15%.

#### *Disposition of Common Shares*

A Non-Canadian Holder will not be subject to tax under the Tax Act in respect of any capital gain realized by such Non-Canadian Holder on a disposition of a Common Share issuable pursuant to the terms of the Debentures or the Subscription Receipts, unless the Common Shares constitute "taxable Canadian property" (as defined in the Tax Act) of the Non-Canadian Holder at the time of disposition and the Non-Canadian Holder is not entitled to relief under an applicable income tax convention.

As long as the Common Shares are then listed on a designated stock exchange (which currently includes the TSX), Common Shares generally will not constitute taxable Canadian property of a Non-Canadian Holder, unless at any time during the 60-month period immediately preceding the disposition of the Common Shares the TCP Conditions are met. A Non-Canadian Holder contemplating a disposition of Common Shares that may constitute taxable Canadian property should consult a tax advisor prior to such disposition.

#### ***Taxation of Non-Canadian Holders of Series G Shares and Series H Shares***

##### *Dividends on Series G Shares and Series H Shares*

Any dividends paid or credited, or deemed to be paid or credited, on the Series G Shares or Series H Shares, as the case may be, to a Non-Canadian Holder will be subject to Canadian withholding tax at the rate of 25% of the gross amount of the dividend unless the rate is reduced under the provisions of an applicable income tax convention, which the Non-Canadian Holder is entitled to the benefits of, between Canada and the Non-Canadian Holder's country of residence. For instance, where the Non-Canadian Holder is a resident of the United States that is entitled to full benefits under the Canada-United States Income Tax Convention (1980), as amended, and is the beneficial owner of the dividends, the rate of Canadian withholding tax applicable to dividends is generally reduced to 15%.

##### *Disposition of Series G Shares and Series H Shares*

A Non-Canadian Holder will not be subject to tax under the Tax Act in respect of any capital gain realized by such Non-Canadian Holder on a disposition of a Series G Share or Series H Share unless such share constitutes "taxable Canadian property" (as defined in the Tax Act) of the Non-Canadian Holder at the time of disposition and the Non-Canadian Holder is not entitled to relief under an applicable income tax convention.

As long as the Series G Shares or Series H Shares, as the case may be, are then listed on a designated stock exchange (which currently includes the TSX), the Series G Shares or Series H Shares, as the case may be, generally will not constitute taxable Canadian property of a Non-Canadian Holder, unless at any time during the 60-month period immediately preceding the disposition of the Series G Shares or Series H Shares, as the case may be, the TCP Conditions are met. A Non-Canadian Holder contemplating a disposition of Class G Shares or Class H Shares that may constitute taxable Canadian property should consult a tax advisor prior to such disposition.

##### *Redemption of Series G Shares and Series H Shares*

If the Corporation redeems or otherwise acquires a Series G Share or a Series H Share, as the case may be, other than by a purchase in the open market in the manner in which shares are normally purchased by any member of the public in the open market, or a conversion as discussed below, from a Non-Canadian Holder of the Series G Share or Series H Share, as the case may be, a dividend equal to the amount, if any, paid by the Corporation in excess of the paid-up capital of such share (as determined for purposes of the Tax Act) at such time will be deemed to have been paid or credited to such Non-Canadian Holder of such share. See "Holders Not Resident in Canada – Taxation of Non-Canadian Holders of Series G Shares and Series H Shares – Dividends on Series G Shares and Series H Shares" above. Generally, the difference between the amount paid on redemption and the amount of the deemed dividend will be treated as proceeds of disposition for purposes of computing any capital gain or loss arising on the disposition of such shares which would be relevant where such shares were "taxable Canadian property". See "Holders Not Resident in Canada – Taxation of Non-Canadian Holders of Series G Shares and Series H Shares – Dispositions of Series G Shares and Series H Shares" above.

##### *Conversion of Series G Shares and Series H Shares*

The conversion of a Series G Share into a Series H Share or a Series H Share into a Series G Share will be deemed not to be a disposition of property and accordingly will not give rise to any capital gain or capital loss.

## ELIGIBILITY FOR INVESTMENT

In the opinion of Blake, Cassels & Graydon LLP, counsel to the Corporation, and Osler, Hoskin & Harcourt LLP, counsel to the Underwriters, based on the provisions of the Tax Act in force as of the date hereof, (i) the Debentures, (ii) the Subscription Receipts, (iii) the Series G Shares, (iv) the Series H Shares, and (v) the Common Shares issuable pursuant to the terms of the Subscription Receipts or upon conversion, redemption or maturity of the Debentures, if issued on the date of this prospectus supplement, would be a qualified investment under the Tax Act for a trust governed by a RRSP, a RRIF, a DPSP (other than, in the case of the Debentures, a DPSP to which contributions are made by the Corporation or by an employer with which the Corporation does not deal at arm's length for the purposes of the Tax Act), an RESP, an RDSP, or a TFSA provided that, at the time of the acquisition by the Plan, (i) in the case of Subscription Receipts, either the Subscription Receipts are listed on a "designated stock exchange" as defined in the Tax Act, (which includes the TSX) at that time, or the Common Shares are listed on a designated stock exchange at that time and the Corporation is not, and deals at arm's length with each person who is, an annuitant, a beneficiary, an employer or a subscriber under, or a holder of, such Plan; and (ii) in the case of Common Shares, Series G Shares, Series H Shares and Debentures, either such securities are listed on a designated stock exchange (which includes the TSX) or the Corporation is a "public corporation" as defined in the Tax Act.

The Subscription Receipts, Debentures, Series G Shares, Series H Shares and Common Shares will generally not be a "prohibited investment" for trusts governed by a TFSA, RRSP or RRIF unless the holder of the TFSA or the annuitant under the RRSP or RRIF, as applicable, (i) does not deal at arm's length with the Corporation for purposes of the Tax Act or (ii) has a "significant interest" as defined in the Tax Act in the Corporation. In addition, the Common Shares, Series G Shares and Series H Shares will not be a "prohibited investment" if the Common Shares, Series G Shares or Series H Shares, as the case may be, are "excluded property" as defined in the Tax Act, for trusts governed by a TFSA, RRSP or RRIF.

Holders or annuitants should consult their own tax advisors with respect to whether Debentures, Subscription Receipts, Common Shares, Series G Shares or Series H Shares would be prohibited investments, including with respect to whether the Common Shares, Series G Shares or Series H Shares would be "excluded property".

## RISK FACTORS

An investment in the Securities offered hereunder involves certain risks. In addition to the other information contained in this prospectus supplement and the accompanying Prospectus, and in the documents incorporated by reference therein, prospective purchasers of Securities should consider carefully the risk factors set forth below as well as the risk factors referenced under the heading "Risk Factors" in the accompanying Prospectus and the AIF and the disclosure referenced under the headings "Risk Management" and "Critical Accounting Policies and Estimates" in the 2014 MD&A.

### Risks Associated with the Offering

*The Corporation will have discretion with respect to the use of proceeds of this Offering*

The Corporation currently intends to allocate the net proceeds received from this Offering (including on any exercise of the Over-Allotment Option) as described under "Use of Proceeds". However, the Corporation will have discretion in the actual application of the net proceeds, and may elect to allocate net proceeds differently from that described under "Use of Proceeds" if determined to be in the Corporation's best interests to do so. Furthermore, as at the date hereof, while the Corporation is evaluating potential acquisitions, it currently has no definitive plans for the expenditure of the net proceeds of this Offering and there can be no assurance as to how such funds may be expended. Holders of Securities and Common Shares may not agree with the manner in which Element chooses to allocate and spend the net proceeds of this Offering. The failure by the Corporation to apply these funds effectively could have a material adverse effect on the Corporation's business.

*Additional issuances of equity securities or securities convertible into equity securities may result in dilution to holders of Subscription Receipts, Debentures or Common Shares*

The Corporation's articles of amalgamation authorize the issuance of an unlimited number of Common Shares. The board of directors of the Corporation has the authority to issue additional Common Shares or securities convertible into Common Shares to provide additional financing in the future to finance future activities, including any potential acquisition or investment opportunities, and the issuance of any such Common Shares (or securities convertible into Common Shares), and the sale of such Common Shares, may result in a reduction of or have a depressive effect on the market price of the outstanding Subscription Receipts or Debentures. Issuances of substantial numbers of Common Shares (or securities convertible into Common Shares), or the perception that such

issuances could occur, may adversely affect prevailing market prices of the Subscription Receipts or Debentures. If the Corporation does issue any such additional Common Shares (or securities convertible into Common Shares), such issuance also will cause a reduction in the proportionate ownership and voting power of all other shareholders and the Corporation may experience dilution in its earnings per share. Further, shareholders may experience dilution of their shareholdings due to the exercise of convertible securities that have been previously issued or that may be issued by the Corporation. See “Prior Sales” in this prospectus supplement and “Description of Share Capital” and “Description of Debt Securities” in the Prospectus for additional information.

#### *Possible Failure to Complete an Eligible Transaction*

If an Eligible Transaction does not take place by the Subscription Termination Date, then the Subscription Receipts will be cancelled and the Escrow Agent and the Corporation must repay to holders of Subscription Receipts an amount equal to the subscription price thereof plus a *pro rata* share of the interest earned on the Escrowed Funds and the Debentures will mature on the Initial Maturity Date. In that case, the total return that a purchaser of Subscription Receipts would be entitled to receive would be limited to the purchaser’s *pro rata* share of interest earned on the subscription price for such purchaser’s Subscription Receipts and the total return that a purchaser of Debentures would receive would be limited to the interest earned from Closing until the Initial Maturity Date. The purchaser of Subscription Receipts and/or Debentures, assuming they are not converted prior to the Initial Maturity Date, would not be entitled to participate in any growth in the trading price of the Common Shares.

*Investors will be unable to ascertain the merits or risks of any particular target business’ operations and how they may affect the Corporation as a whole*

To the extent Element consummates an Eligible Transaction, Element may be affected by numerous risks inherent in the business operations Element acquires. Although Element’s officers and directors will endeavor to evaluate the risks inherent in a particular target business, Element may not properly ascertain or assess all of the significant risk factors or have adequate time to complete due diligence. Furthermore, some of these risks may be outside of Element’s control and leave it with no ability to control or reduce the chances that those risks will adversely impact a target business.

### **Risks Associated with the Corporation’s Business**

#### *Potential Acquisition and Investment Opportunities*

The Corporation evaluates business and growth opportunities and continues to consider a number of acquisition, investment and disposition opportunities to achieve its business and growth strategies. In the normal course, the Corporation is engaged in discussions with respect to potential acquisition, investment and disposition opportunities, and other business opportunities. However, there can be no assurance that any of these discussions will result in a definitive agreement and, if they do, what the terms or timing of any acquisition, investment or disposition would be or that such acquisition, investment or disposition will be completed by the Corporation. In addition, the Corporation may not be able to access capital markets on acceptable terms or at all, and as a result the Corporation may not be able to consummate such acquisitions or investments, or may have to do so on the basis of a less than optimal capital structure. If the Corporation does complete such transactions, the Corporation cannot assure that they will ultimately strengthen its competitive position or that they will not be viewed negatively by customers, securities analysts or investors. Such transactions may also involve significant commitments of the Corporation’s financial and other resources. Any such activity may not be successful in generating revenue, income or other returns to the Corporation, and the resources committed to such activities will not be available to the Corporation for other purposes.

### **Risks Relating Specifically to the Securities**

*There is currently no market through which the Securities may be sold*

There is currently no market through which the Securities may be sold and purchasers may not be able to resell the Securities purchased under this prospectus supplement. Although Element has received conditional acceptance from the TSX to list the Subscription Receipts, the Debentures, the Series G Shares and the Common Shares issuable upon (i) the exchange of the Subscription Receipts, (ii) conversion, redemption or maturity of the Debentures, there is can be no assurance that listing will occur. The Debentures may trade at a discount from the offering price depending on prevailing interest rates, the market for similar securities, the Corporation’s performance and other factors. There can be no assurance that an active trading market will develop for the Subscription Receipts, the Debentures or the Series G Shares after the Offering, or if developed, that such a market will be sustained at the price

level of the Offering. To the extent that an active trading market for the Securities does not develop, the liquidity and trading prices of the Securities may be adversely affected.

*The market price of Common Shares may be volatile which may affect the ability to sell at an advantageous price*

The market price of the Common Shares may be volatile. This volatility may affect the ability of holders of Subscription Receipts or Debentures to sell the Securities at an advantageous price. In addition, it may result in greater volatility in the market price of the Debentures than would be expected for non-convertible debt securities. Market price fluctuations in the Common Shares may be due to the Corporation's operating results failing to meet expectations of securities analysts or investors in any period, downward revision in securities analysts' estimates, adverse changes in general market conditions or economic trends, acquisitions, dispositions or other material public announcements by the Corporation or its competitors, along with a variety of additional factors. These broad market fluctuations may adversely affect the market prices of the Subscription Receipts, Debentures and Common Shares.

*There is existing and prior ranking indebtedness which will affect the priority of the Debentures*

The Debentures will be subordinate to all of the Senior Indebtedness. The Debentures will also be effectively subordinate to claims of creditors of the Corporation's subsidiaries, except to the extent that the Corporation is a creditor of such subsidiaries ranking at least *pari passu* with such creditors. Specifically, the Debentures will be effectively subordinated in right of payment to the prior payment in full of all indebtedness under the Corporation's credit facilities. In the event of the Corporation's insolvency, bankruptcy, liquidation, reorganization, dissolution or winding up, its assets would be made available to satisfy the obligations of the creditors of all the Senior Indebtedness before being available to pay the Corporation's obligations to the holders of the Debentures. Accordingly, all or a substantial portion of the Corporation's assets could be unavailable to satisfy the claims of the holders of the Debentures.

The Corporation's ability to meet its debt-service requirements will depend on its ability to generate cash in the future, which depends on many factors, including the Corporation's financial performance, debt-service obligations, working capital and future capital-expenditure requirements. In addition, the Corporation's ability to borrow funds in the future to make payments on outstanding debt will depend on the satisfaction of covenants in existing credit agreements and other agreements. A failure to comply with any covenants or obligations under the Corporation's consolidated indebtedness could result in a default, which, if not cured or waived, could result in the acceleration of the relevant indebtedness. If such indebtedness were to be accelerated, there can be no assurance that the Corporation's assets would be sufficient to repay such indebtedness in full. There can also be no assurance that the Corporation will generate cash flow in amounts sufficient to pay outstanding indebtedness or to fund any other liquidity needs.

*There is no guarantee that the Corporation will be able to repay the Debentures*

The Corporation may not be able to refinance the principal amount of the Debentures in order to repay the principal outstanding or may not have generated enough cash from operations to meet this obligation. There is no guarantee that the Corporation will be able to repay the outstanding principal amount upon maturity of the Debentures.

*Prevailing yields on similar securities will impact the market value of the Debentures*

Prevailing yields on similar securities will affect the market value of the Debentures. Assuming all other factors remain unchanged, the market value of the Debentures will decline as prevailing yields for similar securities rise, and will increase as prevailing yields for similar securities decline.

*Redemption on a Change of Control*

The Corporation will be required to offer to purchase for cash all outstanding Debentures upon the occurrence of a Change of Control. However, it is possible that, following a Change of Control, the Corporation will not have sufficient funds at that time to make the required purchase of outstanding Debentures or that restrictions contained in other indebtedness will restrict those purchases. See "Description of the Debentures — Repurchase Upon a Change of Control". In addition, the Corporation's ability to purchase the Debentures in such an event may be limited by law, by the Indenture, by the terms of other present or future agreements relating to indebtedness, and agreements that the Corporation may enter into in the future which may replace, supplement or amend the Corporation's future debt. Future credit agreements or other agreements of the Corporation may contain provisions that could limit or prohibit the purchase of the Debentures by the Corporation. The Corporation's failure to purchase the Debentures would constitute a Debenture Event of Default under the Indenture, which might also constitute a default under the terms of the Corporation's other indebtedness at that time.



If a holder of Debentures converts its Debentures in connection with a Change of Control, the Corporation may, in certain circumstances, be required to increase the conversion rate, as described under “Description of the Debentures — Cash Change of Control”. While the increased conversion rate is designed, inter alia, to compensate a holder of Debentures for the lost option-time value of its Debentures as a result of a Change of Control in certain circumstances, the increased conversion rate amount is only an approximation of such lost value and may not adequately compensate the holder for such loss. In addition, in some circumstances as described under “Description of the Debentures — Cash Change of Control”, no adjustment will be made.

#### *Absence of covenant protection in relation to additional indebtedness*

The Indenture will not restrict the Corporation or any of its subsidiaries from incurring additional indebtedness or from mortgaging, pledging or charging its assets to secure any indebtedness. The Indenture will not contain any provisions specifically intended to protect holders of the Debentures in the event of a future leveraged transaction involving the Corporation or any of its subsidiaries.

#### *Redemption may occur prior to the Final Maturity Date*

The Debentures may be redeemed, at the option of the Corporation, on or after June 30, 2018 and prior to the Final Maturity Date at any time and from time to time, at their principal amount, together with any accrued and unpaid interest. See “Description of the Debentures — Redemption and Purchase”. Holders of Debentures should assume that this redemption option will be exercised if the Corporation is able to refinance at a lower interest rate or it is otherwise in the interests of the Corporation to redeem the Debentures.

#### *There may be dilutive effects on holders of Common Shares*

The Corporation may issue Common Shares in connection with the Subscription Receipts or upon conversion, redemption or maturity of or payment of interest on the Debentures. Accordingly, holders of Common Shares may suffer dilution.

#### *There are conversion rights following certain transactions*

In the event of certain transactions, pursuant to the terms of the Indenture, each Debenture will become convertible into securities, cash or property receivable by a holder of Common Shares in such transactions. This change could substantially reduce or eliminate any potential future value of the conversion privilege associated with the Debentures. See “Description of the Debentures — Conversion Privilege”.

#### *Credit risk*

The likelihood that purchasers of the Debentures will receive payments owing to them under the terms of the Debentures will depend on the Corporation’s financial health and creditworthiness.

#### *Withholding tax*

Effective January 1, 2008, the Tax Act was amended to generally eliminate withholding tax on interest paid or credited to non-residents of Canada with whom the payor deals at arm’s length. However, Canadian withholding tax continues to apply to payments of “participating debt interest”. For purposes of the Tax Act, participating debt interest is generally interest that is paid on an obligation where all or any portion of such interest is contingent or dependent on the use of or production from property in Canada or is computed by reference to revenue, profit, cash flow, commodity price or any similar criterion.

Under the Tax Act, when a debenture or other debt obligation issued by a person resident in Canada is assigned or otherwise transferred by a non-resident person to a person resident in Canada (which would include a conversion of the obligation or payment on maturity), the amount, if any, by which the price for which the obligation was assigned or transferred exceeds the price for which the obligation was issued is deemed to be a payment of interest on that obligation made by the person resident in Canada to the non-resident (an “Excess”).

The deeming rule does not apply in respect of certain “excluded obligations”, although it is not clear whether a particular convertible debenture would qualify as an “excluded obligation”. If a convertible debenture is not an “excluded obligation”, issues that arise are whether any Excess would be considered to exist, whether any such Excess which is deemed to be interest is “participating debt interest”, and if the Excess is participating debt interest, whether that results in all interest on the obligation being considered to be participating debt interest.

The CRA has stated that it would not consider the Excess to be participating debt interest, provided that the convertible debenture in question was issued by a public corporation and otherwise satisfied the requirements of a “standard convertible debenture” (as that term was defined in a letter from the Joint Committee on Taxation of the Canadian Bar Association and the Canadian Institute of Chartered Accountants sent to the CRA on May 10, 2010) and therefore there would be no withholding tax in such circumstances (provided that the payor and payee deal at arm’s length for purposes of the Tax Act). The Corporation believes that the Debentures should generally meet the criteria set forth in the CRA’s recent statement. However, the application of CRA’s published guidance to the Debentures is uncertain and there is a risk that CRA could take the position that amounts paid or payable to a non-resident holder of Debentures on account of interest or any Excess amount may be subject to Canadian withholding tax at a rate of 25% (subject to any reduction in accordance with any applicable income tax treaty or convention).

The Indenture will not contain a requirement that the Corporation increase the amount of interest or other payments to holders of Debentures should it be required to withhold amounts in respect of income or similar taxes on payments of interest or other amounts on the Debentures.

*Element may redeem Series G Shares and Series H Shares.*

The Corporation may choose to redeem the Series G Shares and the Series H Shares from time to time, in accordance with its rights described under “Description of the Series G Shares – Redemption” and “Description of the Series H Shares – Redemption”, including when prevailing interest rates are lower than the yields borne by the Series G Shares and the Series H Shares. If prevailing rates are lower at the time of redemption, a purchaser would not be able to reinvest the redemption proceeds in a comparable security at an effective yield as high as the yields on the Series G Shares or the Series H Shares being redeemed. The Corporation’s redemption right may also adversely impact a purchaser’s ability to sell Series G Shares and Series H Shares as the optional redemption date or period approaches.

*The Series G Shares and Series H Shares do not have a fixed maturity date, may not be redeemed at the holder’s option and may be liquidated by the holder only in limited circumstances.*

The Series G Shares and Series H Shares do not have a fixed maturity date and are not redeemable or retractable at the option of a holder of Series G Shares or Series H Shares, as applicable. The ability of a holder to liquidate its holdings of Series G Shares and Series H Shares may be limited.

*Creditors of the Corporation rank ahead of holders of Series G Shares and Series H Shares in the event of an insolvency or winding-up of the Corporation.*

Creditors of the Corporation would rank ahead of holders of Series G Shares and Series H Shares in the event of an insolvency or winding-up of the Corporation.

The Series G Shares and the Series H Shares rank equally with other Preferred Shares that may be outstanding in the event of an insolvency or winding-up of the Corporation. If the Corporation becomes insolvent or is wound-up, the Corporation’s assets must be used to pay debt, including inter-company debt, before payments may be made on Series G Shares, Series H Shares and other Preferred Shares.

*The dividend rates on the Series G Shares and the Series H Shares will reset.*

The dividend rate in respect of the Series G Shares will reset on September 30, 2020 and on September 30 every five years thereafter. The dividend rate in respect of the Series H Shares will reset quarterly. In each case, the new dividend rate is unlikely to be the same as, and may be lower than, the dividend rate for the applicable preceding dividend period.

*Investments in the Series H Shares, given their floating interest component, entail risks not associated with investments in the Series G Shares.*

Investments in the Series H Shares, given their floating interest component, entail risks not associated with investments in the Series G Shares. The resetting of the applicable rate on a Series H Share may result in a lower dividend compared to fixed rate Series G Shares. The applicable rate on a Series H Share will fluctuate in accordance with fluctuations in the T-Bill Rate on which the applicable rate is based, which in turn may fluctuate and be affected by a number of interrelated factors, including economic, financial and political events over which the Corporation has no control.

*The Series G Shares and the Series H Shares may be converted or redeemed without the holders' consent in certain circumstances.*

An investment in the Series G Shares, or in the Series H Shares, as the case may be, may become an investment in Series H Shares, or in Series G Shares, respectively, without the consent of the holder in the event of an automatic conversion in the circumstances described under “Description of the Series G Shares – Conversion of Series G Shares into Series H Shares” and “Description of the Series H Shares – Conversion of Series H Shares into Series G Shares”. Upon the automatic conversion of the Series G Shares into Series H Shares, the dividend rate on the Series H Shares will be a floating rate that is adjusted quarterly by reference to the T-Bill Rate which may vary from time to time while, upon the automatic conversion of the Series H Shares into Series G Shares, the dividend rate on the Series G Shares will be, for each five-year period, a fixed rate that is determined by reference to the Government of Canada Yield on the 30<sup>th</sup> day prior to the first day of each such five-year period. In addition, holders may be prevented from converting their Series G Shares into Series H Shares, and vice versa, in certain circumstances.

*The declaration of dividends on the Series G Shares and the Series H Shares is at the discretion of the Board of Directors.*

Holders of Series G Shares and Series H Shares do not have a right to dividends on such shares unless declared by the Board of Directors. The declaration of dividends is at the discretion of the Board of Directors even if the Corporation has sufficient funds, net of its liabilities, to pay such dividends.

The Corporation may not declare or pay a dividend if there are reasonable grounds for believing that: (i) the Corporation is, or would after the payment be, unable to pay its liabilities as they become due, or (ii) the realizable value of the Corporation's assets would thereby be less than the aggregate of its liabilities and stated capital of its outstanding shares. Liabilities of the Corporation will include those arising in the course of its business, indebtedness, including inter-company debt, and amounts, if any, that are owing by the Corporation under guarantees in respect of which a demand for payment has been made. See “Consolidated Capitalization”.

#### *Credit Risk*

The likelihood that holders of either Series G Shares or Series H Shares will receive payments owing to them under the terms of such shares will depend on the financial health of the Corporation and its creditworthiness. Accordingly, there is no assurance that the Corporation will have sufficient capital to make the dividend payments owing to the holders of Series G Shares or Series H Shares, as the case may be. Neither the Series G Shares nor the Series H Shares are rated by any credit rating agency.

*Holders of the Series G Shares and the Series H Shares do not have voting rights except under limited circumstances.*

Holders of Series G Shares and Series H Shares will generally not have voting rights at meetings of the shareholders of the Corporation except under limited circumstances. Holders of Series G Shares and Series H Shares will have no right to elect the Board of Directors. See “Details of the Series G Shares” and “Description of the Series H Shares”.

*Series G Shares are not conditional on the Eligible Transaction*

The offering of Series G Shares is not conditional on the Acquisition Closing occurring by a certain date, or at all. If the Eligible Transaction does not proceed, the net proceeds from the issuance and sale of the Series G Shares will be used by Element to originate and finance, directly or indirectly, finance assets and for general corporate purposes.

#### *Completion of the Offering*

The completion of the Offering remains subject to completion of definitive binding documentation and satisfaction of a number of conditions, including approval of the Offering by the TSX. There can be no certainty that the Offering will be completed.

### **LEGAL MATTERS**

Certain legal matters relating to the Offering and this prospectus supplement will be passed upon by Blake, Cassels & Graydon LLP on behalf of Element and Osler, Hoskin & Harcourt LLP on behalf of the Underwriters.

### **INTEREST OF EXPERTS**

As of the date hereof, the partners and associates of Blake, Cassels & Graydon LLP, as a group, own, directly or indirectly less than 1% of each class of outstanding securities of the Corporation. As of the date hereof, the partners and associates of Osler, Hoskin &

Harcourt LLP, as a group, beneficially own, directly or indirectly, less than 1% of each class of outstanding securities of the Corporation.

## **OTHER MATTERS**

### **Independent Auditors**

Ernst & Young LLP (Canadian Firm), as auditors of the Corporation, has advised the Corporation that it is independent within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

Deloitte & Touche LLP (U.S. Firm), as auditors of the Fleet Business (as defined in the PHH BAR) as of and for the years ended December 31, 2013 and 2012, incorporated by reference in this prospectus, have advised the Corporation that it is independent with respect to the Fleet Business in accordance with the American Institute of Certified Public Accountants' Code of Professional Conduct.

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

The auditors of Element are Ernst & Young LLP, Chartered Accountants, of Toronto, Ontario.

The transfer agent and registrar for the Securities will be Computershare Investor Services Inc. at its principal offices in Toronto, Ontario.

### **PURCHASERS' STATUTORY RIGHTS**

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

**CERTIFICATE OF THE UNDERWRITERS OF THE SUBSCRIPTION RECEIPTS**

Date: May 22, 2015

To the best of our knowledge, information and belief, the short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and this supplement as required by the securities legislation of each of the Provinces of Canada.

**BMO NESBITT BURNS INC.**

*By: (signed)  
John Coke*

**BARCLAYS CAPITAL  
CANADA INC.**

*By: (signed)  
Bruce M. Rothney*

**CIBC WORLD  
MARKETS INC.**

*By: (signed)  
Donald A. Fox*

**NATIONAL BANK  
FINANCIAL INC.**

*By: (signed)  
Maude Leblond*

**RBC DOMINION  
SECURITIES INC.**

*By: (signed)  
John Bylaard*

**TD SECURITIES  
INC.**

*By: (signed)  
Jonathan Broer*

**CREDIT SUISSE SECURITIES  
(CANADA) INC.**

*By: (signed)  
Daniel J. McCarthy*

**GMP SECURITIES  
L.P.**

*By: (signed)  
Kevin Sullivan*

**MACQUARIE CAPITAL MARKETS  
CANADA LTD.**

*By: (signed)  
Daniel J. Cristall*

**MANULIFE SECURITIES  
INCORPORATED**

*By: (signed)  
David MacLeod*

**CORMARK SECURITIES  
INC.**

*By: (signed)  
Roger Poirier*

**DESJARDINS SECURITIES  
INC.**

*By: (signed)  
A. Thomas Little*

**CERTIFICATE OF THE UNDERWRITERS OF THE DEBENTURES**

Date: May 22, 2015

To the best of our knowledge, information and belief, the short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and this supplement as required by the securities legislation of each of the Provinces of Canada.

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*By: (signed)*  
*A. Thomas Little*

**MANULIFE SECURITIES INCORPORATED**

*By: (signed)*  
*David MacLeod*

**CERTIFICATE OF THE UNDERWRITERS OF THE SERIES G SHARES**

Date: May 22, 2015

To the best of our knowledge, information and belief, the short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and this supplement as required by the securities legislation of each of the Provinces of Canada.

**BMO NESBITT  
BURNS INC.**

*By: (signed)  
John Coke*

**CIBC WORLD  
MARKETS INC.**

*By: (signed)  
Donald A. Fox*

**NATIONAL BANK  
FINANCIAL INC.**

*By: (signed)  
Maude Leblond*

**RBC DOMINION  
SECURITIES INC.**

*By: (signed)  
John Bylaard*

**TD SECURITIES  
INC.**

*By: (signed)  
Jonathan Broer*

**GMP SECURITIES  
L.P.**

*By: (signed)  
Kevin Sullivan*

**CORMARK SECURITIES  
INC.**

*By: (signed)  
Roger Poirier*

**DESJARDINS SECURITIES  
INC.**

*By: (signed)  
A. Thomas Little*

**MACQUARIE CAPITAL MARKETS  
CANADA LTD.**

*By: (signed)  
Daniel J. Cristall*

**MANULIFE SECURITIES  
INCORPORATED**

*By: (signed)  
David MacLeod*