

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 April 20, 2017 to which it relates (collectively, 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 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 from documents filed with securities commissions or similar authorities in each of the provinces of Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Secretary of the Company by sending a written request to 161 Bay Street, Suite 3600, Toronto, Ontario, M5J 2S1, telephone (416) 646-5421, and are also available electronically at www.sedar.com.

**PROSPECTUS SUPPLEMENT
TO THE SHORT FORM BASE SHELF PROSPECTUS DATED APRIL 20, 2017**

New Issue

October 3, 2018

ELEMENT FLEET MANAGEMENT CORP.



**\$300,300,000
45,500,000 Common Shares**

This Prospectus qualifies the distribution (the “Offering”) of 45,500,000 common shares (the “Offered Common Shares”) of Element Fleet Management Corp. (the “Company” or “Element”) at a price of \$6.60 per Offered Common Share. See “Details of the Offering” and “Plan of Distribution”.

The Offering is being made pursuant to an underwriting agreement dated October 3, 2018 (the “Underwriting Agreement”) among the Company and CIBC World Markets Inc. (“CIBC”), BMO Nesbitt Burns Inc. (“BMO” and, together with CIBC, the “Lead Underwriters”) and National Bank Financial Inc. (“NBF”), RBC Dominion Securities Inc. (“RBC”), TD Securities Inc. (“TD”), Barclays Capital Canada Inc., J.P. Morgan Securities Canada Inc. (“J.P. Morgan”), Desjardins Securities Inc. (“Desjardins”), HSBC Securities (Canada) Inc. (“HSBC”), Merrill Lynch Canada Inc. (“Merrill Lynch”), MUFG Securities (Canada), Ltd. (“MUFG”), Scotia Capital Inc., Cormark Securities Inc. and Raymond James Ltd. (collectively with the Lead Underwriters, the “Underwriters”).

The Underwriters may offer the Offered Common Shares at a price lower than the offering price stated in this Prospectus. See “Plan of Distribution”.

The Underwriters, as principals, conditionally offer the Offered Common Shares, subject to prior sale, if, as and when issued by the Company 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 Company by Blake, Cassels & Graydon LLP and on behalf of the Underwriters by Osler, Hoskin & Harcourt LLP. See “Plan of Distribution”. The offering price of the Offered Common Shares was determined by negotiation between the Company and the Lead Underwriters on behalf of the Underwriters.

Price: \$6.60 per Offered Common Share

	<u>Price to the Public</u>	<u>Underwriters' Fee⁽¹⁾</u>	<u>Net Proceeds of the Offering to the Company⁽²⁾</u>
Per Offered Common Share	\$6.60	\$0.264	\$6.336
Total ⁽³⁾	\$300,300,000	\$12,012,000	\$288,288,000

- (1) The Underwriters' fee for the Offered Common Shares is \$0.264 per Offered Common Share (the "Underwriters' Fee").
- (2) Before deduction of expenses of the Offering payable by the Company estimated at \$2,000,000.
- (3) The Underwriters agreed to originally purchase 45,500,000 Offered Common Shares and, in addition, the Company has granted the Underwriters an option (the "Over-Allotment Option"), exercisable in whole or in part at any time until the date that is 30 days following the Closing Date, to purchase up to an aggregate of 6,825,000 additional Offered Common Shares on the same terms solely to cover over-allotments, if any. If the Over-Allotment Option is exercised in full, using the same assumptions as are set forth in notes 1 and 2 above, the price to the public, the Underwriters' Fee and the net proceeds to the Company will be \$345,345,000, \$13,813,800 and \$331,531,200, respectively. A purchaser who acquires Offered Common Shares forming part of the Underwriters' over-allocation position acquires those Offered Common Shares under this Prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purposes. See "Plan of Distribution."

<u>Underwriters' Position</u>	<u>Maximum Size</u>	<u>Exercise Period</u>	<u>Exercise Price</u>
Over-Allotment Option	6,825,000 Offered Common Shares	Up to the 30 th day following the Closing Date	\$6.60 per Offered Common Share

The Underwriters propose to offer the Offered Common Shares initially at the offering price specified herein. After a reasonable effort has been made to sell all of the Offered Common 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 Common Shares remaining unsold. Any such reduction will not affect the proceeds received by Element. See "Plan of Distribution".

Element's outstanding common shares (the "Common Shares") are listed on the Toronto Stock Exchange (the "TSX") under the symbol "EFN". The closing price of the Common Shares on the TSX on October 1, 2018, the day of the announcement of the Offering, was \$6.70. On October 2, 2018, the last trading day prior to the filing of this prospectus supplement, the closing price of the Common Shares on the TSX was \$8.05. The TSX has conditionally approved the listing of the Offered Common Shares described in this prospectus supplement. Listing of the Offered Common Shares is subject to the Company fulfilling all of the requirements of the TSX on or before January 3, 2019.

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 closing of the Offering will occur on October 11, 2018 or on such other date as the Company and the Underwriters may agree, but in any event no later than October 25, 2018 (the "Closing Date") at 8:00 a.m. (Toronto time) or such other time on the Closing Date as the Company and the Lead Underwriters, on behalf of the Underwriters, may agree. The Offered Common Shares will be represented in either certificated or uncertificated form and may be 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 Offered Common Shares will receive only a customer confirmation from the registered dealer who is a CDS participant and from or through whom the Offered Common Shares are purchased, subject to certain limited exceptions. See "Book-Based System".

Investors should rely only on the information contained in or incorporated by reference in the Prospectus. The Company has not authorized anyone to provide investors with different information. The Company is not offering

the Offered Common Shares in any jurisdiction in which the offer is not permitted. Investors should not assume that the information contained in this Prospectus or any of the documents incorporated by reference in this Prospectus is accurate as of any date other than the date on the front of those documents.

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

The Company may be considered a “connected issuer” to each of CIBC, BMO, NBF, RBC, TD, J.P. Morgan, Desjardins, HSBC, Merrill Lynch and MUFG within the meaning of National Instrument 33-105 - *Underwriting Conflicts*, as a result of the following:

- (a) CIBC is an affiliate of a Canadian Schedule I bank that (i) is a member of the lending syndicate to the Company under the US\$3.0 billion Senior Credit Facility (as defined herein); (ii) is a co-administrative agent of a \$1.62 billion Canadian securitization funding program pursuant to which the Company or its affiliates have transferred and will continue to transfer financial assets and related property or interests therein under an established securitization platform (the “Fleet Lease Receivables Securitization Program”); (iii) is an investor in the Fleet Lease Receivables Securitization Program; (iv) is the funding agent of asset backed conduits that are investors in the Fleet Lease Receivables Securitization Program; (v) is a hedge counterparty to the Fleet Lease Receivables Securitization Program; and (vi) is an investor in a U.S. affiliate of the Company under a US\$3.45 billion (lender-portion only) U.S. fleet securitization funding program (the “U.S. Fleet Securitization Program”);**
- (b) BMO is an affiliate of a Canadian Schedule I bank that (i) is the lead agent and a member of the lending syndicate to the Company under the Senior Credit Facility; (ii) is a co-administrative agent of the Fleet Lease Receivables Securitization Program; (iii) is the funding agent of an asset backed conduit that is an investor in the Fleet Lease Receivables Securitization Program; (iv) is a hedge counterparty to the Fleet Lease Receivables Securitization Program; (v) is the funding agent of an asset backed conduit that is an investor in the U.S. Fleet Securitization Program; and (vi) is a hedge counterparty to the U.S. Fleet Securitization Program;**
- (c) NBF is an affiliate of a Canadian Schedule I bank that (i) is a member of the lending syndicate to the Company under the Senior Credit Facility; (ii) is the funding agent of an asset backed conduit that is an investor in the Fleet Lease Receivables Securitization Program; (iii) is a hedge counterparty to the Fleet Lease Receivables Securitization Program; (iv) is an investor in the U.S. Fleet Securitization Program; and (v) is a hedge counterparty to the U.S. Fleet Securitization Program;**
- (d) RBC is an affiliate of a Canadian Schedule I bank that (i) is a member of the lending syndicate to the Company under the Senior Credit Facility; (ii) is the funding agent of an asset backed conduit that is an investor in the Fleet Lease Receivables Securitization Program; (iii) is the funding agent of an asset backed conduit that is an investor in the U.S. Fleet Securitization Program; and (iv) is a hedge counterparty to the Australian Fleet Securitization Program (as defined below);**
- (e) TD is an affiliate of a Canadian Schedule I bank that (i) is a member of the lending syndicate to the Company under the Senior Credit Facility; (ii) is an investor in the U.S. Fleet Securitization Program; and (iii) is a hedge counterparty to the U.S. Fleet Securitization Program;**
- (f) J.P. Morgan is an affiliate of (i) a member of the lending syndicate to the Company under the Senior Credit Facility; (ii) an administrative agent of the U.S. Fleet Securitization Program; (iii) a funding agent of an asset backed conduit that is an investor in the U.S. Fleet Securitization Program; (iv) a hedge counterparty to the U.S. Fleet Securitization Program; (v) a lender to an Australian affiliate of the Company under a AUD\$900 million (lender-portion only) Australian fleet securitization funding program (the “Australian Fleet Securitization Program”); and (vi) a hedge counterparty to the Australian Fleet Securitization Program;**

- (g) Desjardins is an affiliate of a member of the lending syndicate to the Company under the Senior Credit Facility;**
- (h) HSBC is an affiliate of (i) a Canadian chartered bank that is a member of the lending syndicate to the Company under the Senior Credit Facility; and (ii) a funding agent of an asset backed conduit that is an investor in the U.S. Fleet Securitization Program;**
- (i) Merrill Lynch is an affiliate of (i) a member of the lending syndicate to the Company under the Senior Credit Facility; (ii) an investor in the U.S. Fleet Securitization Program; and (iii) a lender under the Australian Fleet Securitization Program; and**
- (j) MUFG is an affiliate of (i) a member of the lending syndicate to the Company under the Senior Credit Facility; and (ii) an investor in the U.S. Fleet Securitization Program.**

See “Relationship between Element and Certain Underwriters”.

The head and registered office of the Company is located at 161 Bay Street, Suite 3600, Toronto, Ontario, M5J 2S1. Unless otherwise specifically stated, all dollar amounts in the Prospectus 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, the Offered Common Shares, if issued on the date of this prospectus supplement, would be on such date 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”), 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, the Offered Common Shares, are listed on a designated stock exchange (which includes the TSX), or the Company is a “public corporation” as defined in the Tax Act. See “Eligibility for Investment”.

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IMPORTANT NOTICE ABOUT INFORMATION IN THIS PROSPECTUS SUPPLEMENT AND THE ACCOMPANYING BASE SHELF PROSPECTUS

This document is in two parts. The first part is this prospectus supplement, which describes certain terms of the securities the Company is offering and adds to and updates certain information contained in the base shelf prospectus dated April 20, 2017 (the “Base Shelf Prospectus”) and the documents incorporated by reference therein. The second part, the Base Shelf Prospectus, provides more general information, some of which may not apply to the Common Shares offered hereunder. Capitalized terms or abbreviations used in this prospectus supplement that are not defined herein have the meanings ascribed thereto in the Base Shelf Prospectus.

You should rely only on the information contained in this Prospectus or incorporated by reference into the Prospectus. The Company has not, and the Underwriters have not, authorized anyone to provide you with different or additional information. The Company is not, and the Underwriters are not, making an offer to sell the Offered Common Shares in any jurisdiction where the offer or sale is not permitted. You should not assume that the information appearing in 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 Company’s business, operating results, financial condition and prospects may have changed since that date.

NOTE REGARDING FORWARD-LOOKING STATEMENTS

The Prospectus 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”, “improve”, “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 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 the documents incorporated by reference in the Prospectus speak only as of the date on the front of each respective document. The forward-looking information and statements contained in the Prospectus and the documents incorporated by reference in the Prospectus reflect several material factors, expectations and assumptions of Element including, without limitation: that Element will conduct its operations in a manner consistent with its expectations and, where applicable, consistent with past practice; acceptable negotiations with third parties; the general continuance of current or, where applicable, assumed industry conditions; the continuance of existing (and in certain circumstances, the implementation of proposed) tax and regulatory regimes; certain cost assumptions; the continued availability of adequate debt and/or equity financing and cash flow to fund its capital and operating requirements as needed; the extent of its assets and liabilities; the Company’s net interest margin; growth in lease receivables and service income; rate of cost inflation; applicable foreign exchange rates and applicable income tax rates; the Company’s funding mix; the number of Common Shares issued over the applicable period and under the Offering; the terms of the new instruments issued to refinance the Company’s 2019 and 2020 convertible debentures; the reset rates for the Company’s outstanding preferred shares; the proceeds from non-core asset sales; the operating performance of 19th Capital (as defined herein), including the terms upon which idle assets can be sold or leased, and timing of same; and in the case of the forward looking statements regarding financial outlook, that the Company will achieve the expected benefits, costs and timing of the Plan (as defined herein). Element believes the material factors, expectations and assumptions reflected in the forward-looking information and statements are reasonable but no assurance can be given that these factors, expectations and assumptions will prove to be correct.

Forward-looking statements and information in the Prospectus 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 plans to optimize the value of its non-core portfolio;
- Element's strategy to improve and optimize the customer experience;
- Element's expectations regarding its expense structure and run rate;
- Element's anticipated cash needs and its needs for additional financing;
- Element's integration of its acquisitions and systems;
- Element's plans for and timing of expansion of its services;
- Element's future growth plans;
- Element's expectations regarding the structure of its Chesapeake securitization programs;
- Element's expectations regarding its origination volumes;
- Element's ability to attract new customers 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 present intention to pay regular dividends on its Common Shares and preferred shares;
- Element's expectations regarding the benefits of the Separation Transaction and the tax-free nature of the Separation Transaction;
- Element's technology and intellectual property, including Element's Xcelerate™ solution and expected uses and benefits;
- Element's Connected Data™ solution and expected uses and benefits;
- Element's expectations regarding technological change;
- Element's technology and data, and expected uses and benefits;
- Element's competitive position and its expectations regarding competition;
- anticipated trends and challenges in Element's business and the markets in which it operates;
- evolution of Element's business and the fleet management industry;
- Element's growth prospects and the objectives, vision and strategies of Element;
- Element's operations and ability to drive operational efficiencies;
- Element's expectations regarding its assets;
- Element's business strategy;
- Element's ability to create value for its shareholders;
- Element's expectation regarding the availability of funds from operations, cash flow generation and capital allocation;
- Element's integration of past acquisitions and future acquisitions;
- Element's strategic assessment of current and future assets;
- Element's strategy for its non-core portfolio;
- Element's business outlook and other expectations regarding financing or operating performance and metrics;
- the evolution of operations and the development of performance indicators, and other financial performance and metric;
- the proposed use of proceeds of the Offering;
- the completion and nature of the Offering;
- the completion of the acquisition of the interests in 19th Capital not already owned by Element and the financial impact thereof;
- the expectations of the 19th Capital Repositioning (as defined herein);
- the integration, operation and financial impact of 19th Capital following its acquisition;
- the consequences of implementing the Plan (as defined herein);
- the potential impact under Element's existing credit and securitization facilities of the Plan in whole or in part;
- the potential impact under Element's existing credit and securitization facilities of not completing the Offering;
- the extent, nature and impact of any write-down of various fleet management businesses or non-core businesses (including those related to 19th Capital);
- the impact of the Offering and the write-down on the Company's existing credit ratings;

- the future financial reporting of Element;
- the future cash flows, financial condition, operating performance, financial ratios, projected asset base, capital structure and capital expenditures of Element;
- Element's after-tax adjusted operating income per share;
- Element's anticipated dividend policy and plans for future dividends, including realizing on its plans to implement a dividend reinvestment plan;
- Element's ability to deliver returns and benefits from its initiatives;
- the customer acquisition, retention and experience;
- the changes to Element's management;
- the relationships with Element's suppliers;
- Element's anticipated cash needs, capital requirements and need for and cost of additional financing;
- future assets;
- the demand for Element's services;
- Element's competitive position;
- the anticipated trends and challenges in Element's business and the markets in which it operates;
- Element's borrowing base;
- the implementation of Element's systems integrations and organizational revisions;
- the extent, nature and impact of any value driver to create pre-tax run-rate operating income;
- Element's ability to generate pre-tax run-rate operating income;
- Element's ability to increase total shareholder return;
- Element's ability to pre-fund redemption of its outstanding convertible debentures upon their maturity, including realizing on its plans for selling certain non-core assets;
- the anticipated impact of the Plan on credit ratings; and
- Element's research and development investment plans and product offerings.

Although the Company 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 the Company nor the Underwriters can guarantee future results, levels of activity, performance or achievements. Some of the risks and other factors, some of which are beyond the Company's control, which could cause results to differ materially from those expressed in the forward-looking statements and information contained in the Prospectus 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;
- concentration of leases and loans within a particular industry or region that may negatively impact Element's financial condition;
- 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 and loans;
- inability to attract institutional investors to invest in Element's special purpose funding vehicles;
- global financial markets and general economic conditions that may adversely affect Element's results;
- concentration of debt financing sources that may increase Element's funding risks;
- Element's credit facilities and securitization transactions that may limit its operational flexibility;
- changes in interest rates that may adversely affect Element's financial results;
- an unexpected increase in Element's funding costs that may adversely affect its earnings;
- a competitive business environment that may limit the growth of Element's business;
- Element's credit rating and credit risk that may change;
- inability to attract and retain employees that may limit Element's ability to grow its 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 impact Element’s financial condition;
- Element’s ability to successfully integrate any acquisitions into its operations and to achieve anticipated benefits and synergies of such acquisitions;
- the fact that complications in managing acquisitions may negatively affect Element’s operating results;
- the market for Element securities may be volatile and subject to wide fluctuations in response to numerous factors;
- information technology infrastructure security breaches that may negatively impact Element;
- foreign currency risk that creates exposures that may negatively impact Element;
- unforeseen changes in the legislative framework in which Element operates that may negatively impact Element;
- the fact that litigation may negatively impact Element’s financial condition;
- the market value of Common Shares will be affected by a number of factors and, accordingly, their trading prices will fluctuate;
- declaration and payment of dividends on the Common Shares is at the discretion of the board of directors of the Company (the “Board of Directors”) and subject to certain solvency requirements imposed by applicable law;
- risks related to the use of *pro forma* financial information; and
- the other factors considered under “Risk Factors” in the Prospectus, in the AIF (as defined herein) and under “Risk Management” in the Interim MD&A (as defined herein), each of 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 the documents incorporated by reference in the Prospectus 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 Base Shelf Prospectus as of the date hereof and only for the purposes of the distribution of the Offered Common Shares offered hereby. 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:

- (a) the annual information form of the Company dated March 28, 2018 for the year ended December 31, 2017 (the “AIF”);
- (b) the audited consolidated financial statements of the Company dated March 14, 2018 as at and for the financial years ended December 31, 2017 and December 31, 2016, and the related notes thereto and the auditors’ report thereon (the “Annual Financial Statements”);
- (c) management’s discussion and analysis of financial condition and results of operations for the Company dated March 14, 2018 in respect of the Annual Financial Statements;
- (d) the unaudited interim condensed consolidated financial statements dated August 13, 2018 for the three and six month periods ended June 30, 2018 and June 30, 2017 (the “Interim Financial Statements”);
- (e) management’s discussions and analysis of financial condition and results of operations for the Company dated August 13, 2018 in respect of the Interim Financial Statements (the “Interim MD&A”);

- (f) the management information circular dated May 21, 2018 with respect to the annual meeting of shareholders of the Company held on June 26, 2018;
- (g) the material change report of Element dated October 3, 2018 relating to the announcement of a customer-centric plan to meaningfully improve financial performance, strengthen and de-risk the Company's balance sheet, and position the business for growth;
- (h) the material change report of Element dated July 5, 2018 relating to the appointment of Vito Culmone as Chief Financial Officer of the Company;
- (i) the material change report of Element dated May 24, 2018 relating to the appointment of Jay Forbes as Chief Executive Officer of the Company and the reconstitution of the Board of Directors;
- (j) the material change report of Element dated February 12, 2018 relating to the succession of the Chief Executive Officer of the Company and certain updates to the Company's operations and financial outlook;
- (k) the template version of the term sheet for the Offering dated October 1, 2018 (the "Term Sheet"); and
- (l) the template version of Element's investor presentation dated October 1, 2018 utilized in connection with the Offering, attached hereto as Appendix "A" (the "Investor Presentation" and, together with the Term Sheet, the "Marketing Materials").

The Prospectus (English version) will only incorporate by reference the English versions of the above-mentioned documents and the Prospectus (French version) will only incorporate by reference the French versions of the above-mentioned documents.

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, 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 the Prospectus but not expressly incorporated by reference therein or herein and not otherwise required to be incorporated by reference in this Prospectus are not incorporated by reference in this Prospectus. 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.

Any statement contained in the Prospectus or in a document incorporated or deemed to be incorporated by reference into the Prospectus shall be deemed to be modified or superseded for purposes of the Prospectus 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 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.

Copies of the documents incorporated herein by reference may be obtained on request without charge from the Secretary of the Company at 161 Bay Street, Suite 3600, Toronto, Ontario, M5J 2S1, telephone: (416) 646-5421.

MARKETING MATERIALS

The Marketing Materials are not part of the Prospectus to the extent that the contents of the Marketing Materials have been modified or superseded by a statement contained in the Prospectus or any amendment. Any template version of “marketing materials” (as defined in National Instrument 41-101 - *General Prospectus Requirements*) filed with the securities commission or similar authority in each of the provinces of Canada in connection with this Offering after the date hereof but prior to the termination of the distribution of the Offered Common Shares under this Prospectus (including any amendments to, or an amended version of, the Marketing Materials) is deemed to be incorporated by reference in the Prospectus.

RECENT DEVELOPMENTS

On October 1, 2018, Element announced a customer-centric plan to meaningfully improve financial performance, strengthen and de-risk the Company’s balance sheet, and position the business for growth (the “Plan”). The Plan includes:

- (i) a series of concrete actions to improve the customer experience and generate an estimated \$150 million in run-rate pre-tax operating income improvements in the fleet management business by the end of 2020;
- (ii) a \$150 million investment in the business to achieve those improvements, which will be funded in part by capital retained after a reduction in the Company’s quarterly common share dividend from \$0.075 per share to \$0.045 per share, and the introduction of a dividend reinvestment plan;
- (iii) an agreement, subject to the satisfaction of certain conditions, to purchase the interests in the 19th Capital Group LLC joint venture (“19th Capital”) that Element does not already own, for nominal consideration, as discussed below;
- (iv) strengthening the Company’s investment-grade balance sheet through this Offering; and
- (v) a clear accountability plan, including a Transformation Management Office run by a leading global consulting firm that is intended to bring focus, support and accountability for the duration of the program, as well as regular reporting to track the Company’s performance.

In December 2016, Element’s subsidiary, Element Transportation LLC, entered into a joint venture agreement with its joint venture partners pursuant to which Element Transportation LLC contributed certain truck leasing portfolios to 19th Capital in exchange for debt and an approximate 49.99% interest in 19th Capital. The investment in 19th Capital is included in the Company’s non-core portfolio.

As part of the Plan, the Company intends to complete the acquisition of the remaining interests in 19th Capital that Element does not already own for nominal consideration. The Company is currently supporting 19th Capital’s business as a going-concern; in connection with the acquisition of the 19th Capital interests, Element plans to undertake an orderly run off of 19th Capital’s assets over the next 36 months (the “19th Capital Repositioning”). In conjunction with this initiative, Element will recognize an after-tax charge of approximately \$360 million in the third quarter reflecting a write-down of the carrying value of its remaining investment in 19th Capital. The Offering will strengthen the Company’s balance sheet and is expected to avoid any negative impact of the write-down on the Company’s existing credit ratings. As a result, the Company expects continued access to funds under, and continued compliance with the financial covenants of, its existing credit and securitization facilities.

Additional information regarding the Plan is set forth in Appendix “A” – Investor Presentation and forms a part of this Prospectus.

CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of Element effective June 30, 2018: (i) prior to the Offering; (ii) after giving effect to the Offering (assuming no exercise of the Over-Allotment Option); and (iii) after

giving effect to the Offering (assuming no exercise of the Over-Allotment Option) and the completion of the 19th Capital Repositioning, but, in each such case, excluding the expenses of such transactions. This table is presented and should be read in conjunction with the Interim Financial Statements.

Designation	Outstanding as at June 30, 2018 prior to giving effect to the Offering and the 19th Capital Repositioning (000s)	Outstanding as at June 30, 2018 after giving effect to the Offering⁽¹⁾ (000s)	Outstanding as at June 30, 2018 after giving effect to the Offering and the 19th Capital Repositioning⁽¹⁾⁽³⁾⁽⁴⁾ (000s)
Cash	\$125,740	\$414,028 ⁽²⁾	\$410,028 ⁽²⁾
Debt			
Secured borrowings	\$13,012,889	\$13,012,889	\$13,259,889
Convertible Debentures	886,510	\$886,510	\$886,510
Total Debt	\$13,899,399	\$13,899,399	\$14,146,399
Shareholders' Equity			
Common Shares	\$3,197,157	\$3,485,445	\$3,125,445
Preferred Shares	\$680,412	\$680,412	\$680,412
Total shareholders' equity	\$3,877,569	\$4,165,857	\$3,805,857
Total capitalization	\$17,776,968	\$18,065,256	\$17,952,256

Notes:

- (1) Without giving effect to the Company's intended use of proceeds. See "Use of Proceeds".
- (2) Includes net proceeds of the Offering after deducting the Underwriters' Fee of \$12,012,000, but before deducting expenses of the Offering.
- (3) Reflecting assumption of approximately \$247 million of existing third-party debt of 19th Capital following the acquisition of the remaining interests in 19th Capital, whereby the assets and liabilities of the 19th Capital Repositioning will be recorded on the Company's balance sheet. See "Recent Developments".
- (4) Reflecting acquisition of remaining interests in 19th Capital from its joint venture partners and the completion of the 19th Capital Repositioning, whereby the assets and liabilities of the 19th Capital Repositioning would be recorded on the Company's balance sheet, which, together with the Company's expectation regarding the realization of its existing debt and equity investment in the 19th Capital Repositioning, is expected to result in an approximately \$360 million after-tax write-down, but not reflecting the planned run off of 19th Capital's assets over the next 36 months. See "Recent Developments".

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>
October 1-2, 2018.....	8.44	6.64	13,575,704
September 2018.....	7.42	6.58	16,820,980
August 2018.....	7.26	5.80	24,906,786
July 2018.....	6.50	5.75	19,521,234
June 2018.....	6.90	5.43	49,338,992
May 2018.....	6.14	4.62	89,278,666
April 2018.....	5.28	3.80	50,271,090
March 2018.....	5.46	3.21	74,130,653
February 2018.....	8.27	4.30	73,653,090
January 2018.....	9.76	7.97	51,924,111

December 2017	11.03	9.22	41,799,073
November 2017	10.20	9.35	16,329,746
October 2017	10.39	8.95	27,645,174

The closing price of the Common Shares on the TSX on October 1, 2018, the day of the announcement of the Offering, was \$6.70. On October 2, 2018, the last full trading day prior to the filing of this prospectus supplement, the closing price of the Common Shares on the TSX was \$8.05.

DIVIDENDS

During the year ended December 31, 2017, Element paid four quarterly dividends in an aggregate amount of \$0.30 per Common Share. The declaration of dividends is at the discretion of the Board of Directors even if the Company has sufficient funds, net of its liabilities, to pay such dividends.

The following table sets forth the dividends paid per share on the Common Shares within the last 12 months:

<u>Record date</u>	<u>Dividend amount</u> (\$)
June 29, 2018	0.075
March 29, 2018	0.075
December 29, 2017	0.075
September 29, 2017	0.075

On October 1, 2018, the Company announced that quarterly dividends paid per Common Share would be reduced to \$0.045 per Common Share, effective with the Company's dividend payable in the fourth quarter of 2018.

PRIOR SALES

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 Company's stock option plan), that have been issued by the Company during the 12-month period preceding the date of this Prospectus:

<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 25, 2018	1,200,000 Stock Options	\$6.48
Grant of Stock Options	June 4, 2018	151,627 Stock Options	\$5.65
Grant of Stock Options	May 16, 2018	1,697,816 Stock Options	\$5.73
Exercise of Stock Options	May 16, 2018	194,939 Common Shares	\$5.73
Grant of Stock Options	May 15, 2018	2,500,000 Stock Options	\$5.73
Exercise of Stock Options	December 15, 2017	3,369 Common Shares	\$10.24
Exercise of Stock Options	December 4, 2017	50,000 Common Shares	\$9.63
Exercise of Stock Options	November 23, 2017	266,239 Common Shares	\$9.67
Exercise of Stock Options	November 7, 2017	15,140 Common Shares	\$9.98
Exercise of Stock Options	October 10, 2017	10,000 Common Shares	\$3.34

USE OF PROCEEDS

The net proceeds to the Company from the Offering, assuming the Over-Allotment Option is not exercised, will be \$288,288,000 after deducting the Underwriters' Fee of \$12,012,000 and before deducting expenses of the Offering. If the Over-Allotment Option is exercised in full, then the net proceeds to the Company from the Offering will be \$331,531,200 after deducting the Underwriters' Fee of \$13,813,800 and before deducting expenses of the Offering. The expenses of the Offering are estimated to be approximately \$2,000,000 and will be paid from the general funds of the Company.

The Company intends to use a substantial portion of the net proceeds of the Offering to reduce, in part, its liabilities under the US\$3.0 billion secured revolving credit facility provided to the Company and Element Fleet Management (US) Corp. by approximately 20 financial institutions acting as lenders thereunder (including affiliates of CIBC, BMO, NBF, RBC, TD, J.P. Morgan, Desjardins, HSBC, Merrill Lynch and MUFG) (the “Senior Credit Facility”) and to use the remainder of the net proceeds of the Offering for general corporate purposes. The Company incurs indebtedness under the Senior Credit Facility from time to time to support its operations. As at June 30, 2018, there was approximately \$2.6 billion outstanding under the Senior Credit Facility. See “Relationship Between Element and Certain Underwriters” for further information.

The Company will have discretion in the actual application of the net proceeds. See “Risk Factors – The Company will have discretion with respect to the use of proceeds of this Offering.”

DETAILS OF THE OFFERING

The Offering consists of 45,500,000 Offered Common Shares at a price of \$6.60 per Offered Common Share and an additional 6,825,000 Offered Common Shares at price of \$6.60 per Offered Common Share if the Underwriters exercise the Over-Allotment Option in full. The Offered Common Shares will be issued on the Closing Date, and on the closing of the exercise of the Over-Allotment Option, if applicable, pursuant to the Underwriting Agreement. For a summary of the material attributes of the Common Shares and certain rights attaching thereto, see “Description of Common Shares” in the Base Shelf Prospectus.

BOOK-BASED SYSTEM

The Offered Common Shares will generally be issued in “book-based” form and may be purchased or transferred through participants (“Participants”) in the depository service of CDS. Each of the Underwriters is a Participant or has arrangements with a Participant. On the Closing Date, the Company will cause to be delivered to the Underwriters the Offered Common Shares either in certificated or uncertificated form, and the Offered Common Shares may be registered in the nominee name of CDS or such other name or names as the Underwriters may notify the Company. Each holder of Offered Common Shares will receive a customer confirmation of purchase from the registered dealer from which the Offered Common Shares are purchased in accordance with the practices and procedures of that registered dealer, subject to certain limited exceptions.

PLAN OF DISTRIBUTION

Pursuant to the Underwriting Agreement, among the Company and the Underwriters, the Company has agreed to sell, and the Underwriters have severally, and not jointly or 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 October 11, 2018, or such other date as may be agreed upon by the parties, but in any event no later than October 25, 2018, all but not less than all of the 45,500,000 Offered Common Shares at an aggregate price of \$300,300,000 payable in cash to the Company against delivery of the Offered Common Shares. In consideration for their services in connection with the Offering, the Company has agreed to pay the Underwriters a fee equal to \$0.264 per Offered Common Share purchased by the Underwriters for a total Underwriters’ Fee of \$12,012,000. All fees payable to the Underwriters will be paid out of the proceeds of the Offering.

The Company has granted to the Underwriters the Over-Allotment Option, exercisable in whole or in part at any time prior to 5:00 p.m. (Toronto time) on the 30th day after the Closing Date, to purchase up to an additional 6,825,000 Offered Common Shares on the same terms solely to cover over-allotments, if any. If the Over-Allotment Option is exercised in full, and before the deduction of expenses of the Offering estimated to be \$2,000,000, the price to the public, the Underwriters’ Fee and the net proceeds to the Company will be \$345,345,000, \$13,813,800 and \$331,531,200, respectively. This Prospectus qualifies the distribution of the Offered Common Shares issuable on exercise of the Over-Allotment Option. A purchaser who acquires Offered Common Shares forming part of the Underwriters’ over-allocation position acquires those Offered Common Shares under this Prospectus, regardless of whether the over-allocation position is filled through the exercise of the Over-Allotment Option or secondary market purchases.

The Underwriting Agreement provides that each Underwriter may, at its discretion, terminate its obligations thereunder 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 Company 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 Company or have a material adverse effect on the market price or value of the Common Shares; (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 Underwriter, 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 Company 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 the TSX or any securities regulatory authority involving the Company, the Company'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 Company) or any law or regulation is enacted or changed which, in the opinion of the Underwriter, acting reasonably, prevents or restricts trading in or the distribution of the Common Shares or materially and adversely affects or might reasonably be expected to materially and adversely affect the market price or value of the Common Shares; (d) *cease trade* - trading in any securities of the Company has been, or is threatened to be, suspended by any securities commission in the provinces of Canada or the TSX; or (e) *breach* – the Company is in breach of any term, condition or covenant of the Underwriting Agreement or any representation or warranty given by the Company in the Underwriting Agreement becomes or is false. The Underwriters are, however, obligated to take up and pay for all the Offered Common Shares if any Offered Common Shares are purchased under the Underwriting Agreement.

The Underwriters may not, throughout the period of distribution, bid for or purchase the Common Shares. The foregoing restriction is subject to certain exemptions. 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 market balancing activities and a bid or purchase made on behalf of a customer where the order was not solicited. In connection with the Offering, the Underwriters may effect transactions which stabilize or maintain the market price of the Common Shares 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, for a period of 90 days following the Closing Date, issue or announce the issue of any Common Shares or any securities or other financial instruments convertible into or exchangeable for or exercisable to acquire Common Shares (other than: (i) as contemplated by the Underwriting Agreement, (ii) pursuant to a grant or exercise of stock options and other similar issuances pursuant to the existing option and incentive plans of the Company and other existing compensation arrangements, (iii) pursuant to the Company's dividend reinvestment plan, or (iv) pursuant to any outstanding convertible security) without the prior written consent of the Lead Underwriters on behalf of the Underwriters, such consent not to be unreasonably withheld or delayed, or enter into any into any agreement or arrangement under which the Company acquires or transfers to another, in whole or in part, any of the economic consequences of ownership of Common Shares, whether that agreement or arrangement may be settled by the delivery of Common 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 Underwriters propose to offer the Offered Common Shares initially at the offering price specified on the cover page of this Prospectus. After the Underwriters have made a reasonable effort to sell all of the Offered Common Shares 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 Offered Common Shares is less than the price paid by the Underwriters to the Company.

The determination of the terms of the distribution, including the issue price of the Offered Common Shares, was made through negotiations between the Company and the Lead Underwriters on behalf of the Underwriters.

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.

The TSX has conditionally approved the listing of the Offered Common Shares described in this prospectus supplement. Listing of the Offered Common Shares is subject to the Company fulfilling all of the requirements of the TSX on or before January 3, 2019.

The Offered Common Shares have not been and will not be registered under the U.S. Securities Act or the securities laws of states in the United States and, subject to certain exemptions from registration under the U.S. Securities Act and applicable state securities laws, may not be offered or sold in the United States. The Underwriters have agreed that they will not offer or sell the Offered Common Shares within the United States except to (i) persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act) in transactions in reliance upon the exemption from the registration requirements of the U.S. Securities Act provided by Rule 144A thereunder and exemptions from registration under applicable state securities laws, and (ii) certain individual purchasers pursuant to an exemption from the registration requirements of the U.S. Securities Act. The Underwriters will offer and sell the Offered Common Shares outside the United States in accordance with Rule 903 of Regulation S under the U.S. Securities Act. In addition, until 40 days after the commencement of the Offering, an offer or sale of Offered Common Shares 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 made in compliance with Rule 144A or another exemption under the U.S. Securities Act. This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any of the Offered Common Shares in the United States.

RELATIONSHIP BETWEEN ELEMENT AND CERTAIN UNDERWRITERS

CIBC is an affiliate of a Canadian Schedule I bank that (i) is a member of the lending syndicate to the Company under the Senior Credit Facility; (ii) is a co-administrative agent of the Fleet Lease Receivables Securitization Program; (iii) is an investor in the Fleet Lease Receivables Securitization Program; (iv) is the funding agent of asset backed conduits that are investors in the Fleet Lease Receivables Securitization Program; (v) is a hedge counterparty to the Fleet Lease Receivables Securitization Program; and (vi) is an investor in the U.S. Fleet Securitization Program. Consequently, the Company may be considered a “connected issuer” to CIBC within the meaning of National Instrument 33-105 - *Underwriting Conflicts* (“NI 33-105”).

BMO is an affiliate of a Canadian Schedule I bank that (i) is the lead agent and a member of the lending syndicate to the Company under the Senior Credit Facility; (ii) is a co-administrative agent of the Fleet Lease Receivables Securitization Program; (iii) is a funding agent of an asset backed conduit that is an investor in the Fleet Lease Receivables Securitization Program; (iv) is a hedge counterparty to the Fleet Lease Receivables Securitization Program; (v) is the funding agent of an asset backed conduit that is an investor in the U.S. Fleet Securitization Program; and (vi) is a hedge counterparty to the U.S. Fleet Securitization Program. Consequently, the Company may be considered a “connected issuer” to BMO within the meaning of NI 33-105.

NBF is an affiliate of a Canadian Schedule I bank that (i) is a member of the lending syndicate to the Company under the Senior Credit Facility; (ii) is the funding agent of an asset backed conduit that is an investor in the Fleet Lease Receivables Securitization Program; (iii) is a hedge counterparty to the Fleet Lease Receivables Securitization; (iv) is an investor in the U.S. Fleet Securitization Program; and (v) is a hedge counterparty to the U.S. Fleet Securitization Program. Consequently, the Company may be considered a “connected issuer” to NBF within the meaning of NI 33-105.

RBC is an affiliate of a Canadian Schedule I bank that (i) is a member of the lending syndicate to the Company under the Senior Credit Facility; (ii) is the funding agent of an asset backed conduit that is an investor in the Fleet Lease Receivables Securitization Program; (iii) is the funding agent of an asset backed conduit that is an investor in the U.S. Fleet Securitization Program; and (iv) is a hedge counterparty to the Australian Fleet Securitization Program (as defined below). Consequently, the Company may be considered a “connected issuer” to RBC within the meaning of NI 33-105.

TD is an affiliate of a Canadian Schedule I bank that (i) is a member of the lending syndicate to the Company under the Senior Credit Facility; (ii) is an investor in the U.S. Fleet Securitization Program; and (iii) is a hedge counterparty to the U.S. Fleet Securitization Program. Consequently, the Company may also be considered a “connected issuer” to TD within the meaning of NI-33-105.

J.P. Morgan is an affiliate of (i) a member of the lending syndicate to the Company under the Senior Credit Facility; (ii) an administrative agent of the U.S. Fleet Lease Securitization Program; (iii) a funding agent of an asset backed conduit that is an investor in the U.S. Fleet Securitization Program; (iv) a hedge counterparty to the U.S. Fleet Securitization Program; (v) a lender under the Australian Fleet Securitization Program; and (vi) a hedge counterparty to the Australian Fleet Securitization Program. Consequently, the Company may be considered a “connected issuer” to J.P. Morgan within the meaning of NI 33-105.

Desjardins is an affiliate of a member of the lending syndicate to the Company under the Senior Credit Facility. Consequently, the Company may also be considered a “connected issuer” to Desjardins within the meaning of NI 33-105.

HSBC is an affiliate of (i) a Canadian chartered bank that is a member of the lending syndicate to the Company under the Senior Credit Facility; and (ii) a funding agent of an asset backed conduit that is an investor in the U.S. Fleet Securitization Program. Consequently, the Company may also be considered a “connected issuer” to HSBC within the meaning of NI-33-105.

Merrill Lynch is an affiliate of (i) a member of the lending syndicate to the Company under the Senior Credit Facility; (ii) an investor in the U.S. Fleet Securitization Program; and (iii) a lender under the Australian Fleet Securitization Program. Consequently, the Company may be considered a “connected issuer” to Merrill Lynch within the meaning of NI 33-105.

MUFG is an affiliate of (i) a member of the lending syndicate to the Company under the Senior Credit Facility; and (ii) an investor in the U.S. Fleet Securitization Program. Consequently, the Company may be considered a “connected issuer” to MUFG within the meaning of NI 33-105.

As at June 30, 2018, there was approximately: (i) \$2.61 billion outstanding under the Senior Credit Facility; (ii) US\$1.57 billion (lender-portion only) outstanding under the U.S. Fleet Securitization Program; (iii) \$1.2 billion outstanding under the Fleet Lease Receivables Securitization Program; and (iv) AUD\$858.9 million outstanding under the Australian Fleet Securitization Program.

The financial position of the Company, as reflected by its balance sheet, is expected to be negatively impacted by the implementation of the Plan, including as a result of the write-down of its interests in 19th Capital and the consolidation of such entity’s results in the Company’s financial reporting. In connection with the Plan and the 19th Capital Repositioning, the Company’s financial covenants under the Senior Credit Facility were amended to accommodate the anticipated impact of such initiatives. Consequently, the Company does not anticipate a default or acceleration under the Senior Credit Facility to result from the announcement and implementation of the Plan and related initiatives, including the Offering. See “Recent Developments”.

The Fleet Lease Receivables Securitization Program effectively incorporates financial covenants (as amended from time to time) of the Company under the Senior Credit Facility. Accordingly, the amendments to the Company’s financial covenants under the Senior Credit Facility were similarly effective to accommodate the anticipated impact of the Plan and related initiatives under the Fleet Lease Receivables Securitization Program. As a result, the Company does not anticipate a default or acceleration under the Fleet Lease Receivables Securitization Program upon completion of the Offering. See “Recent Developments”.

The U.S. Fleet Securitization Program effectively incorporates financial covenants (as amended from time to time) of the Company under the Senior Credit Facility. Accordingly, the amendments to the Company’s financial covenants under the Senior Credit Facility were similarly effective to accommodate the anticipated impact of the Plan and related initiatives under the U.S. Fleet Securitization Program. As a result, the Company does not

anticipate a default or acceleration under the U.S. Fleet Securitization Program upon completion of the Offering. See “Recent Developments”.

The Australian Fleet Securitization Program effectively incorporates financial covenants (as amended from time to time) of the Company under the Senior Credit Facility. Accordingly, the amendments to the Company’s financial covenants under the Senior Credit Facility were similarly effective to accommodate the anticipated impact of the Plan and related initiatives under the Australian Fleet Securitization Program. As a result, the Company does not anticipate a default or acceleration under the Australian Fleet Securitization Program upon completion of the Offering. See “Recent Developments”.

The determination of the terms of the distribution, including the issue price of the Offered Common Shares, was made through negotiations between the Company and the Lead Underwriters on behalf of the Underwriters. The lenders, investors or hedge counterparties, as applicable, under any of the Senior Credit Facility, the Fleet Lease Receivables Securitization Program, the U.S. Fleet Securitization Program and the Australian Fleet Securitization Program did not have any direct involvement in such determination. However, since the agreement of lenders holding a majority of the commitments under the Senior Credit Facility (including the respective affiliates of CIBC, BMO, NBF, RBC, TD, J.P. Morgan, Desjardins, HSBC, Merrill Lynch and MUFG) to amend the Company’s financial covenants only became effective upon the Underwriters’ commitments under the Offering, their respective interests under the Company’s credit facility and securitization programs have been and will be directly and materially affected by the Offering.

A substantial portion of the net proceeds from the Offering will be used by the Company to reduce in part its liabilities under the Senior Credit Facility (including, without limitation, indebtedness owed to affiliates of CIBC, BMO, NBF, RBC, TD, J.P. Morgan, Desjardins, HSBC, Merrill Lynch and MUFG).

The net proceeds from the Offering have not been, and will not be, applied for the benefit of any lenders to or investors or counterparties under the Fleet Lease Receivables Securitization Program, the U.S. Fleet Securitization Program or the Australian Fleet Securitization Program. As a consequence of this issuance, each of CIBC, BMO, NBF, RBC, TD, J.P. Morgan, Desjardins, HSBC, Merrill Lynch and MUFG received their respective proportionate share of the Underwriters’ Fee.

The Company’s ability to adopt and implement the Plan depended on obtaining the agreement of lenders under the Senior Credit Facility holding a majority of the commitments made thereunder to amend certain financial covenants under the Senior Credit Facility. The Company paid a work fee to the lenders under the Senior Credit Facility in connection with obtaining the amendments. The amendments became effective upon the satisfaction of certain pre-conditions, including the execution of the bought deal letter in respect of the Offering.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Blake, Cassels & Graydon LLP, counsel to the Company, 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 Tax Act generally applicable to the acquisition, holding and disposition of Offered Common Shares by a holder who acquires, as beneficial owner, the Offered Common Shares pursuant to the Offering and who, for purposes of the Tax Act and at all relevant times, holds the Offered Common Shares as capital property, deals at arm’s length with the Company and the Underwriters and is not affiliated with the Company (a “Holder”). Generally, the Offered Common Shares will be considered to be capital property to a Holder provided the Holder does not acquire or hold the Offered Common Shares 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 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 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 or decision, 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 the Offered Common Shares, and no representations with respect to the income tax consequences to any holder or prospective holder are made. Consequently, holders and prospective holders of the Offered Common Shares should consult their own tax advisors for advice with respect to the tax consequences to them of acquiring the Offered Common Shares, having regard to their particular circumstances.

Holders Resident in Canada

This portion of the summary 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 the Common Shares who are residents of Canada and who might not otherwise be considered to hold their Offered Common Shares as capital property may, in certain circumstances, be entitled to have the Offered 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. Holders should consult their own tax advisors regarding this election.

This portion of the summary is not applicable to a holder (i) that is a “financial institution” (as defined in the Tax Act for the purposes of the mark-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, or (v) that has entered or will enter into a “derivative forward agreement” (as defined in the Tax Act) with respect to the Offered Common Shares. Any such holder should consult its own tax advisor with respect to an investment in the Offered Common Shares.

This portion of the summary does not address the possible application of the “foreign affiliate dumping” rules in section 212.3 of the Tax Act to a Canada Holder that is a corporation and that is or becomes, or does not deal at arm’s length for purposes of the Tax Act with a corporation resident in Canada that is or becomes, as part of a transaction or event or series of transactions or events that include the acquisition of the Offered Common Shares, controlled by a non-resident corporation for the purposes of section 212.3 of the Tax Act. Such holders should consult their own tax advisors with respect to the possible application of these rules. In addition, this summary does not address the deductibility of interest by a Canadian Holder who has borrowed money or otherwise incurred debt in connection with the acquisition of the Offered Common Shares.

Taxation of Canadian Holders of Offered Common Shares

Dividends on Offered Common Shares

Dividends received or deemed to be received on the Offered Common 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 Company 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 Offered Common 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. In certain circumstances, however, a dividend received (or deemed to be received) by a Canadian Holder that is a corporation may be deemed to be a capital gain, or proceeds

of a disposition potentially giving rise to a capital gain. Canadian Holders that are corporations should consult their own tax advisors having regard to their own particular circumstances. A Canadian Holder that is 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 a refundable tax under Part IV of the Tax Act on dividends received (or deemed to be received) on the Offered Common Shares to the extent such dividends are deductible in computing its taxable income for the taxation year.

Dispositions of Offered Common Shares

A Canadian Holder who disposes of or is deemed to dispose of an Offered Common Share 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. For this purpose, the adjusted cost base to a Canadian Holder of Offered Common Shares will be determined at any time by averaging the cost of such Offered Common Shares with the adjusted cost base of any other Common Shares owned by the Canadian Holder as capital property immediately before that time.

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 an Offered Common Share may be reduced by the amount of dividends received or deemed to be received by it on such Offered Common Share, to the extent and under the circumstances described by the Tax Act. Similar rules may apply where an Offered Common Share is owned by a partnership or trust of which a corporation, trust or partnership is a member or beneficiary. Such Canadian Holders should consult their own tax advisors.

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

This portion of the summary 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, and (ii) does not, and is not deemed to, use or hold the Offered Common Shares in a business carried on in Canada (a “Non-Canadian Holder”). In addition, this portion of the summary does not apply to an insurer who carries on an insurance business in Canada and elsewhere.

Taxation of Non-Canadian Holders of Offered Common Shares

Dividends on Offered Common Shares

Any dividends paid or credited, or deemed to be paid or credited, on the Offered Common 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 applicable 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 Offered 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 an Offered Common 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 Offered Common Shares are then listed on a designated stock exchange (which currently includes the TSX), the Offered 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 Offered Common Shares, as the case may be: (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 partnerships, 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 Company, and (ii) more than 50% of the fair market value of the Offered 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; or (z) options in respect of, or interests in or for civil law rights in, property described in (w) to (y). A Non-Canadian Holder contemplating a disposition of Offered Common Shares that may constitute taxable Canadian property should consult a tax advisor prior to such disposition.

ELIGIBILITY FOR INVESTMENT

In the opinion of Blake, Cassels & Graydon LLP, counsel to the Company, and Osler, Hoskin & Harcourt LLP, counsel to the Underwriters, based on the provisions of the Tax Act in force as of the date hereof, the Offered Common Shares, provided they are listed on a designated stock exchange (which currently includes the TSX) or provided the Company is a “public corporation” for purposes of the Tax Act, if issued on the date of this prospectus supplement, would be on such date qualified investments under the Tax Act for a trust governed by an RRSP, an RRIF, a RESP, a DPSP, a RDSP or a TFSA.

The Offered Common Shares will not be a “prohibited investment” for trusts governed by a TFSA, RRSP, RESP, RDSP or RRIF unless the holder, subscriber or annuitant thereof, as applicable, (i) does not deal at arm’s length with the Company for purposes of the Tax Act or (ii) has a “significant interest”, as defined in the Tax Act, in the Company. In addition, the Offered Common Shares will not be a “prohibited investment” if the Offered Common Shares are “excluded property”, as defined in the Tax Act, for trusts governed by a TFSA, RRSP, RESP, RDSP or RRIF. Holders, subscribers or annuitants should consult their own tax advisors with respect to whether the Offered Common Shares would be prohibited investments, including with respect to whether the Offered Common Shares would be “excluded property”.

RISK FACTORS

An investment in the Offered Common Shares offered hereunder involves certain risks. In addition to the other information contained in this Prospectus, and in the documents incorporated by reference in the Prospectus, prospective purchasers of the Offered Common Shares should consider carefully the risk factors set forth below as well as the risk factors referenced under the heading “Risk Factors” in the AIF and the Interim MD&A .

Potential Credit Impact

If the Offering is not completed, the Company may be in default under its Senior Credit Facility, the Fleet Lease Receivables Securitization Program, the U.S. Fleet Securitization Program and the Australian Fleet Securitization Program. The Company is dependent on credit and securitization facilities and other funding sources for the on-

going operation of its businesses and any such default could materially impair the Company's ability to continue its businesses as a going concern and could result in the acceleration of amounts payable under its existing credit and securitization facilities and other funding sources, including under the Senior Credit Facility, the Fleet Lease Receivables Securitization Program, the U.S. Fleet Securitization Program and the Australian Fleet Securitization Program. If the Company were unable to replace or renegotiate its existing credit and securitization facilities and other funding sources, it would be expected to have a material and adverse impact on Element's business, financial condition and/or results of operations.

Credit Ratings and Ratings Outlooks may Change

In connection with the Plan, the credit rating agencies which rate the Company could re-evaluate their current credit ratings or outlook. There can be no assurance that the credit ratings assigned to Element will be confirmed or remain in effect for any given period of time and ratings may be upgraded, downgraded, or placed under review by an applicable credit ratings agency at any time.

In early 2018, the Company received an initial issuer rating of BBB+ with stable outlook from Fitch Ratings, and its investment grade ratings from Kroll Bond Rating Agency and DBRS, Inc. were affirmed at A- and BBB (high), respectively, each with a stable outlook. In September 2018, Fitch Ratings revised the outlook on the Company's long term Issuer Default Rating and senior credit facility rating to negative from stable, based on both qualitative and quantitative issues. Management believes that the outlook will be revised to stable in the future, but the Company cannot predict with certainty any future rating actions by these agencies.

Negative changes in Element's credit ratings or ratings outlook may increase the cost of borrowing. In addition to higher interest rates, further downgrades could adversely impact the Company's access to capital, cost of capital and financial flexibility, as well as the value of Element's securities.

Element May be Unable to Successfully Realize the Anticipated Benefits of the Plan

Element believes that implementation of the Plan will provide benefits to the Company, including operating income improvements, improvements in Element's earnings profile and realization of residual book value in 19th Capital. See "Recent Developments". However, such expectations are based on certain estimates and assumptions, which may subsequently be determined to be incorrect or inaccurate, and the realization of such benefits may be affected by a number of factors, many of which are beyond the control of the Company. In addition, closing of the purchase of the interests in 19th Capital is subject to the satisfaction of certain closing conditions, and while Element is not currently aware of any impediments to closing, there can be no assurance that the Company will complete the acquisition in accordance with its terms. Accordingly, there is a risk that Element may not be able to achieve the level of benefits that it expects to realize from the Plan, may not be able to realize these benefits within the expected time frames or may incur further impairment charges in relation to its interests in 19th Capital. Failure to realize the anticipated benefits of the Plan could have a material adverse effect on Element's business, financial condition and/or results of operations.

Decisions from the Plan that May Impact Operations and Valuations

On October 1, 2018, Element announced a customer-centric plan to meaningfully improve financial performance, strengthen and de-risk the Company's balance sheet, and position the business for growth. See "Recent Developments".

The steps to be taken by Element pursuant to the Plan, and the results of such steps, could adversely affect current operations or the current valuations or accounting of Element's operations and businesses, which could be detrimental to Element's business, financial condition and/or results of operations. As part of the Plan, the Company intends to complete the 19th Capital Repositioning. The Company is currently supporting 19th Capital's business as a going-concern, and the decision to change 19th Capital's operations will result in a material write-down of the Company's investment in 19th Capital.

The Non-Core Portfolio Faces Counter-Party Operational Risk and Increased Concentration Risk

The Company's non-core portfolio faces counter-party operational risk and increased concentration risk. The non-core portfolio includes joint ventures and outsourced servicers that do not form part of the core fleet portfolio, such as Element's interests in 19th Capital, which could negatively impact Element's operational control. This risk may particularly impact Element's investment in 19th Capital until Element completes the acquisition of the remaining interests of 19th Capital from the existing joint venture partners, as the joint venture structure precludes Element from making unilateral decisions. As Element implements the Plan and completes the acquisition of the remaining interest in 19th Capital from its joint venture partners, the risk of delayed or compromised decisions could impact the results of such acquisition. Although Element monitors the actions and financial condition of these counter-parties, future changes could impact the timing and amounts of cash flows from the non-core portfolio, as well as the financial results of 19th Capital and its impact on Element's business, financial condition and/or results of operations.

The non-core portfolio also involves increased concentration risk, as non-core investments are concentrated in individual entities such as 19th Capital and ECAF Holdings Ltd. While those entities have diversified obligors, the non-core investments result in exposure that is less diversified than typical core fleet portfolio individual exposures. A decline in the performance of a non-core portfolio investment could lead to direct losses incurred by the Company. The Company also borrows against certain of its non-core portfolio investments. A decline in the performance of a non-core portfolio investment could therefore reduce the Company's borrowing capacity or increase its cost of funds, which could be detrimental to Element's business, financial condition and/or results of operations.

The Company will have discretion with respect to the use of proceeds of this Offering.

The Company currently intends to allocate the net proceeds received from this Offering as described under "Use of Proceeds". However, the Company 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 Company's best interests to do so. The failure by the Company to apply these funds effectively could have a material adverse effect on the Company's business.

Completion of the Offering is subject to conditions.

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.

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

The market price of the Common Shares may fluctuate due to a variety of factors relative to the Company's business, including announcements of new developments, fluctuations in the Company's operating results, sales of the Common Shares in the marketplace, failure to meet analysts' expectations, any public announcements made in regard to this Offering, the general creditworthiness of the Company, the impact of various tax laws or rates and general market conditions or the worldwide economy. In recent years, stock markets have experienced significant price fluctuations, which have been unrelated to the operating performance of the affected companies. There can be no assurance that the market price of the Common Shares will not experience significant fluctuations in the future, including fluctuations that are unrelated to the Company's performance.

The declaration of dividends on the Common Shares is at the discretion of the Board of Directors of the Company and is subject to applicable law.

Although Element currently pays quarterly cash dividends on its Common Shares, these cash dividends may be reduced or suspended. Holders of Common 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 Company has sufficient funds, net of its liabilities, to pay such dividends. On October 1, 2018, the Company

announced that quarterly dividends paid per Common Share would be reduced to \$0.045 per Common Share, effective with the Company's dividend payable in the fourth quarter of 2018.

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

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 Company. 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 Company.

Ernst & Young LLP, Chartered Professional Accountants, Toronto, Ontario, as auditors of the Company, has advised the Company that it is independent within the meaning of the CPA Code of Professional Conduct of the Chartered Professional Accountants of Ontario.

AUDITOR, TRANSFER AGENT AND REGISTRAR

The Company's external auditors are Ernst & Young LLP, Chartered Professional Accountants and Licensed Public Accountants, located at 100 Adelaide Street West, Toronto, Ontario, M5H 0B3.

The transfer agent, dividend paying agent and registrar for the Offered Common Shares will be Computershare Trust Company of Canada or an affiliate thereof at its principal offices in Toronto, Ontario.

PURCHASERS' STATUTORY RIGHTS

Securities legislation in certain of the provinces 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, 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. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal advisor.

A new path forward

OCTOBER 1, 2018



A final base shelf prospectus and the documents incorporated by reference therein containing important information relating to the securities described in this document have been filed with the securities regulatory authorities in each of the provinces of Canada. A copy of the final base shelf prospectus that has been filed, as well as any amendments thereto and any applicable shelf prospectus supplement that has been filed, is required to be delivered with this document. This document does not provide full disclosure of all material facts relating to the securities offered. Investors should read the final base shelf prospectus and any applicable shelf prospectus supplement for disclosure of those facts, especially risk factors relating to the securities offered, before making an investment decision.

Forward-looking statements

This presentation contains certain forward-looking statements and forward-looking information regarding Element and its business which are based upon Element's current expectations, estimates, projections, assumptions and beliefs. In some cases, words such as "plan", "expect", "intend", "believe", "anticipate", "estimate", "may", "will", "potential", "target", "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.

Forward-looking statements and information in this presentation include, but are not limited to, statements with respect to, among other things, the objectives, vision and strategies of Element Fleet Management Corp. ("Element"); the future financial reporting of Element; future cash flows, financial condition, operating performance, financial ratios, projected asset base, capital structure and capital expenditures; Element's after-tax adjusted operating income per share; Element's anticipated dividend policy and plans for future dividends, including realizing on its plans to implement a dividend reinvestment plan; Element's ability to deliver returns and benefits from its initiatives; customer acquisition, retention and experience; changes to management; relationships with suppliers; anticipated cash needs, capital requirements, need for and cost of additional financing and ability to access such financing; future assets; demand for services; Element's competitive position; anticipated trends and challenges in Element's business and the markets in which it operates; Element's borrowing base; those related to the completion and nature of the proposed bought deal public offering of common shares pursuant to a prospectus supplement to Element's base shelf prospectus dated April 20, 2017 (the "Public Offering"); those related to the completion of the acquisition of the interests in 19th Capital Group LLC ("19th Capital") not already owned by Element and the financial impact thereof; those related to the integration, operation and financial impact of 19th Capital following its acquisition, including Element's ability to dispose of 19th Capital's idle truck inventory, run off existing leases and change the origination process to improve the creditworthiness of 19th Capital clients and reduce churn; the extent, nature and impact of any write down of various fleet management businesses or non-core businesses (including those related to 19th Capital); the implementation of Element's systems integrations and organizational revisions; the extent, nature and impact of any value driver to create pre-tax run-rate operating income; Element's ability to generate pre-tax run-rate operating income; Element's ability to increase total shareholder return; Element's ability to pre-fund redemption of its outstanding convertible debentures upon their maturity, including realizing on its plans for selling certain non-core assets; anticipated impact on credit ratings; and Element's research and development investment plans and product offerings.

By its nature, forward-looking information involves numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur. Such forward-looking statements and information in this presentation speak only as of the date on the front of this presentation. The forward-looking information and statements contained in this presentation reflect several material factors, expectations and assumptions of Element including, without limitation: that Element will conduct its operations in a manner consistent with its expectations and, where applicable, consistent with past practice; acceptable negotiations with third parties; the general continuance of current or, where applicable, assumed industry conditions; the continuance of existing (and in certain circumstances, the implementation of proposed) tax and regulatory regimes; certain cost assumptions; the continued availability of adequate debt and/or equity financing and cash flow to fund its capital and operating requirements as needed; Element's net interest margin; growth in lease receivables and service income; assumed rate of cost inflation; assumed applicable foreign exchange rates and applicable income tax rates; Element's funding mix; the number of common shares issued over the applicable period and under the Public Offering; terms of the new instruments issued to refinance Element's 2019 and 2020 convertible debentures; the reset rates for Element's outstanding preferred shares; proceeds from non-core asset sales; the operating performance of 19th Capital, including the terms upon which idle assets can be sold or leased, and timing of same; the extent of its assets and liabilities; and, in the case of the forward-looking statements regarding financial outlook, that Element will achieve the expected benefits, costs and timing of the transformation plan. Element believes the material factors, expectations and assumptions reflected in the forward-looking information and statements are reasonable but no assurance can be given that these factors, expectations and assumptions will prove to be correct.

The forward-looking events and circumstances discussed in this presentation may not occur and could differ materially as a result of known and unknown risk factors and uncertainties affecting Element, including risks regarding the fleet management and finance industries, economic factors, risks related to the completion of the purchase of new portfolios or technologies or the addition of new clients, risks related to the payment of dividends, risks relating to business integration and many other factors beyond the control of Element. No forward-looking statement can be guaranteed and Element cannot guarantee future results, levels of activity, performance or achievements. Forward-looking statements and information by their nature are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statement or information. Accordingly, readers should not place undue reliance on any forward-looking statements or information. A discussion of the material risks applicable to Element can be found in Element's current Management and Discussion and Analysis, and Annual Information Form, as well as the prospectus supplement to be filed in connection with the Public Offering, all of which have been or will be filed on SEDAR and can be accessed at www.sedar.com. Except as required by applicable securities laws, forward-looking statements speak only as of the date on which they are made and Element disclaims any intention and assumes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. Forward-looking statement, whether as a result of new information, future events, or otherwise.

Disclaimer

An investment in the securities of Element involves significant risks. A discussion of some of the material risks affecting Element and its business appears under the heading “Risk Factors” in Element’s Annual Information Form dated March 28, 2018, under the headings “Risk Management” and “Critical Accounting Policies and Estimates” in Element’s Management and Discussion and Analysis for the three- and six-month periods ended June 30, 2018 as well as in the prospectus supplement to be filed in connection with the Public Offering, all of which have been or will be filed on SEDAR and can be accessed at Element’s profile on www.sedar.com. Prospective investors should carefully consider the risks associated with an investment in the securities of Element before deciding to purchase any such securities, including the risk factors that may be found in the prospectus supplement to be filed in respect of the offering of Element’s common shares contemplated herein.

No securities regulatory authority has expressed an opinion about the common shares discussed in this presentation and it is an offence to claim otherwise. The common shares discussed in this presentation have not been, and will not be, registered under the U.S. Securities Act, or the securities laws of any state in the United States and are being offered and sold within the United States exclusively to “qualified institutional buyers” in reliance upon Rule 144A under the U.S. Securities Act of 1933 (the “U.S. Securities Act”) and outside the United States in compliance with Regulation S under the U.S. Securities Act.

This presentation does not constitute an offer to sell or solicitation of an offer to buy any of the securities of Element in the United States. The following is a summary only and should be read together with the more detailed information and financial data and statements contained in the final base shelf prospectus and the applicable shelf prospectus supplement.

Unless the context otherwise requires, references to “\$” are to Canadian dollars.

Non-IFRS Measures

In this presentation, management uses a number of terms and ratios (including “adjusted operating income” and “after-tax adjusted operating income per share”) which do not have a standardized meaning under IFRS and are unlikely to be comparable to similar measures presented by other organizations. A full description of these measures can be found in Element’s Management Discussion & Analysis that accompanies the financial statements for the most recent quarter or year, which have been filed on SEDAR (www.sedar.com). Element believes that certain Non-IFRS Measures can be useful to investors because they provide a means by which investors can evaluate Element’s underlying key drivers and operating performance of the business, exclusive of certain adjustments and activities that investors may consider to be unrelated to the underlying economic performance of the business of a given period.

Please see the definitions of “Adjusted operating income” and “After-tax adjusted operating income per share” provided under the heading “Description of Non-IFRS Measures” contained on page 31 of Element’s “Management Discussion and Analysis” in respect of the period ended June 30, 2018, which is publicly available on SEDAR. In future reporting periods, the definition of “adjusted operating income” will be modified to: (i) remove the adjustment for the “share of loss from joint venture”, which will no longer be applicable following the acquisition and consolidation of 19th Capital; and (ii) add a new adjustment in respect of one-time restructuring charges and other costs Element will incur in connection with the implementation of the transformation program.

Proven new management and a revitalized, majority independent board



- CEO effective June 1, 2018
- A fresh strategic perspective for Element to create immediate and lasting value for customers, employees, and investors
- A deep passion for serving customers, operational expertise, strong financial acumen, and a firm grasp of technology
- Previously, President and CEO of Manitoba Telecom Services (created \$1.1B in shareholder value), President and CEO of Teranet Inc., President at Ingram Micro Inc., President and CEO / CFO at Aliant Inc. (created \$2.2B in shareholder value), CFO at real estate and energy companies



- CFO of Element effective July 16, 2018
- Seasoned financial executive with over 25 years of financial and operational experience
- Demonstrated exceptional strategic thinking and a focus on building sustainable shareholder value across various companies and industries
- Spent previous 11 years serving in CFO roles at Shaw Communications and WestJet Airlines
- Also held increasingly senior positions at Molson Coors Brewing, including overseeing commercial finance as well as finance and strategy for the U.S.

➤ **A reconstituted and majority independent board to ensure strong governance and oversight**

Strategic path forward

A customer-centric reset of the business that is expected to create lasting value for shareholders and positions the company for growth

- Element is a global market leader in fleet leasing and servicing
- Despite a robust core business, Element has not achieved its potential
- The new leadership team has completed an end-to-end review of the business in order to understand the root causes for this underperformance and how these issues can be addressed to unlock shareholder value
- This has resulted in the creation of a customer-centric transformation plan for Element that is expected to generate immediate value for all stakeholders
 - Plan is expected to increase annual pre-tax run-rate profit by ~\$150M on exiting 2020, vs \$412M of before-tax adjusted operating income LTM

“In a very short time, Element has become a market leader in the fleet leasing and services industry. While the company faces a number of challenges today, these should not detract from what is, at its core, an enviable global business with compelling growth prospects. The strategic plan being implemented within Element will address the issues facing the business and create lasting value for investors, customers and employees.”

Jay Forbes, CEO,
Element Fleet Management

Rapid expansion has resulted in growing pains

Back-to-back transactions consumed previous management's focus

- Poorly executed integration process led to deteriorated customer experience and a high internal cost structure



+ TLS Fleet Management

2012

Initial agreement to have Element finance Celadon/Quality Companies⁽¹⁾ guaranteed truck leases

+ GE Capital's Canadian Fleet Operations

2013

+ PHH's North American Fleet Management

2014

+ GE Capital's US, Mexico and ANZ Fleet Operations

2015

Quality Companies pursued aggressive growth that led to poor performing portfolio

Separation of EFN and ECN with EFN retaining the Fleet business and fleet-like assets

2016

Quality Companies stopped guaranteed payments to Element and Element stopped further financing activities

Element formed a JV with Celadon to increase operational control of 19th Capital and attempted to implement a plan to recover value

2017-2018

Continued underperformance of 19th Capital resulted in \$136M of equity investment write-off for Element and a \$68M reserve loss against \$807M of loans receivable⁽²⁾

The pursuit of growth also exposed 19th Capital to a high-risk market

- Owner operators & small fleets have higher churn, credit risk and servicing costs



Strategy summary

Transform Element's business

- Refocusing resources on creating a superior customer experience that can be delivered with greater consistency will allow Element to create an expected ~\$150M of improvement in annual pre-tax profitability
 - ~\$40M materializes on exit from 2018, ramping up to ~\$100M exiting 2019, with the full ~\$150M run-rate achieved by the end of 2020
 - ~80% (~\$120M) of the total run-rate improvement is expected to come from productivity enhancements to the customer experience while the other 20% (~\$30M) is largely derived from revenue assurance and retention
 - There will be 80-100 projects undertaken over a two-year period to realize these improvements, de-risking execution and minimizing any negative impact on customers
- The estimated investment required to effect this transformation is ~\$150M
 - Element believes the best means of funding this is by reinvesting shareholders' money back into the business via a dividend reduction of 40%

Reposition 19th Capital

- Over its short history, 19th Capital has meaningfully underperformed expectations. Element's strategic assessment has led management and the Board to conclude that attempting to undertake any further turnaround of the 19th Capital business would divert management's focus from its core fleet business and the new transformation plan
- Accordingly, Element has determined that best path forward is to acquire full control of the venture and run off the business in an orderly fashion over the next 36 months
 - Acquire our partners' interests in 19th Capital (subject to satisfaction of certain conditions) and consolidate 19th Capital in Element's financial statements
 - Assume full control of the venture and improve the near-term results of 19th Capital
 - Continue to serve 19th Capital's client base
 - Work to dispose of idle trucks and run off existing leases; no investment in new inventory
- Element will incur a ~\$360M net after-tax charge to write down 19th Capital's assets to a book value that reflects their worth - ~\$260M - under this strategy. Element expects to recover ~\$100M of this residual amount by the end of 2019

Strengthen the balance sheet

- The profitability (and associated cash flow) improvements resulting from transforming Element's core fleet business, plus the dividend reduction, will solidify Element's financial position over time. However, it is insufficient in and of itself to cushion Element's balance sheet from the impairment resulting from the repositioning of 19th Capital
- To suitably strengthen the balance sheet, and to minimize refinancing risk regarding the June 2019 convertible debentures, Element plans to:
 - Raise ~\$300M of common equity
 - Reduce the common dividend by 40%
 - Institute a dividend reinvestment program
 - Sell its interest in ECAF and excess real estate, and
 - Refinance certain ABS assets to create an additional ~\$160M in borrowing base
- In connection with these actions, management has engaged with its lenders and rating agencies to solicit their views on the impact of the transformation plan, the repositioning of 19th Capital and the various balance sheet initiatives described above. Based on these consultations, management expects that both Fitch and DBRS will affirm their BBB+ ratings for Element going forward. Element has also engaged with the members of its senior lending syndicate, and secured lender support to implement the strategic plan

Transform Element's business

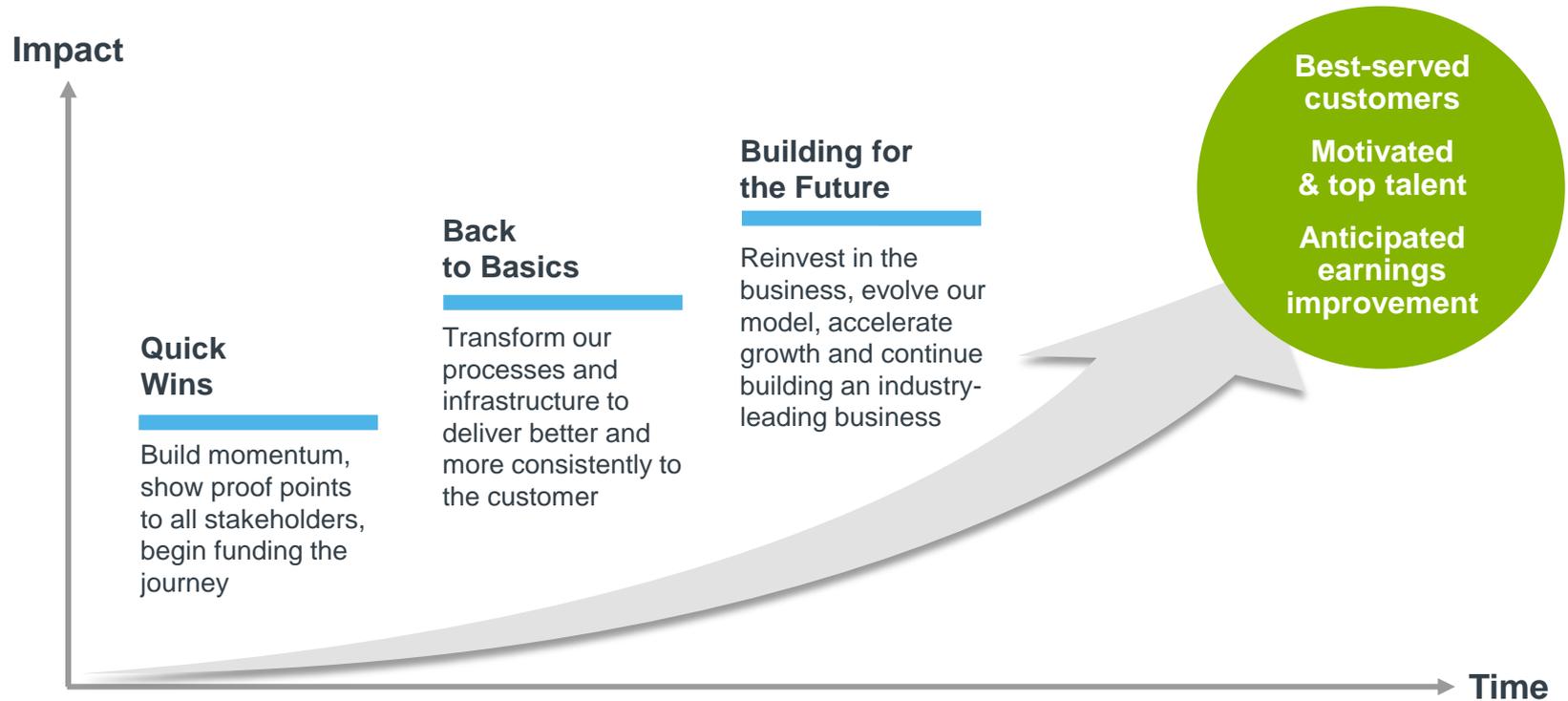


A customer-centric strategy that drives significant shareholder value



➤ **Value drivers for customers expected to generate ~\$150M in annual pre-tax run-rate operating income by the end of 2020**

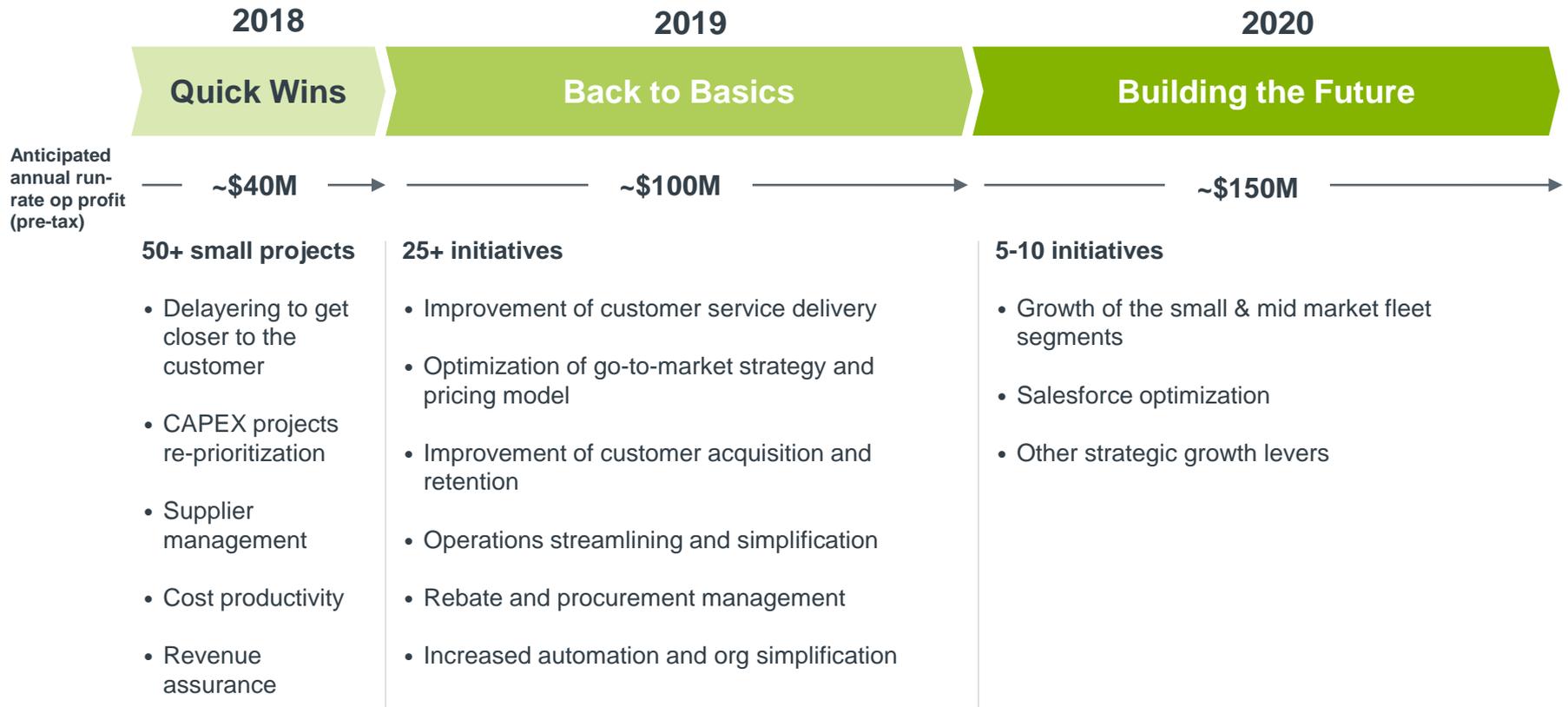
The Reset Plan: Three waves of transformative change



Element's foundational strengths

- Scale and leadership position in key markets
- Plays in an industry with stable profitability that is resistant to economic cycles
- Well-funded investment grade (BBB+) balance sheet with ready access to capital for additional growth
- Blue chip customer base

The reset has begun: ~\$100M of value delivery expected by 2019



➤ We will invest ~\$150M in one-time costs to realize ~\$150M in anticipated annual pre-tax run-rate operating profit

Benefits will be de-risked and expedited through crisp execution and rigorous tracking

Past Challenges

- Lack of focus / accountability
- Leadership capacity
- Management capability
- Misaligned incentives
- Change fatigue



New Enablers

- Focus on what matters
- Transformation Management Office (TMO)
- Organization redesign
- Change management
- Compensation redesign
- Quick wins

➤ Crisp execution will deliver the magnitude/timing of benefits expected, while avoiding disruption to the customer experience

Our end objective is to truly transform all aspects of our business

From...	To...
Trying to be everything to everyone	➤ Delivering our core promise to the customer
Individualistic culture with limited collaboration	➤ A culture of accountability and clarity
A dispersed, regional structure	➤ A unified, customer-centric organization
A sense of exhaustion and business as usual	➤ Performance and purpose-driven employees
Investment across all growth opportunities	➤ Disciplined investment in focus areas

Reposition 19th Capital



Re-position 19th Capital

Engaged in a detailed assessment of the joint venture and determined preferred option: acquire and run off the assets of 19th Capital

History

Joint venture was an attempt to maximize value from asset retained by Element in the 2016 separation transaction

19th Capital has materially underperformed, leading to operating losses

Financial impact as of June 30, 2018:

- \$136M of equity investment write-off
- \$68M of reserve loss against a \$808M loan exposure

Strategic assessment

Management's assessment of the joint venture identified a number of key issues:

- Declining lease volumes
- Suboptimal asset utilization
- Lower quality assets
- Operational inefficiencies
- Lack of functional and managerial capabilities

Preferred resolution

Buy out partners' interests and take immediate steps to improve near-term results as we pursue an orderly run off of the business

- Executed a definitive agreement to acquire partners' equity interests in 19th Capital¹ for nominal consideration
- Ensure management is focused on better serving existing customers, accelerating idle asset disposition and running off existing leases. There will be no investment in new inventory
- Plan to recover ~\$100M of the ~\$260M residual exposure to 19th Capital's assets by end of 2019

➤ **Change in strategic direction results in a ~\$360M net after-tax charge**

Our plan for 19th Capital is designed to minimize risk as we pursue an orderly run off of the business

1 Element will take full ownership of 19th Capital to assert control and to consolidate the assets on our balance sheet

- Removes partner facing significant issues and distractions within its own business
- Full ownership provides surety to tax benefits

2 As sole owner, Element will ensure management at 19th Capital is focused on executing our plan

3 New management will take immediate steps to improve near term business outcomes at 19th Capital

- Better service existing customers
- Improve asset utilization and business performance
 - Accelerated disposal of idle truck inventory
 - Run off existing leases
 - Selected new originations only in circumstances where economics are compelling
 - No investment in new inventory
- Closely manage relationships with third party lenders
- Ensure employee and customer commitment

4 We will evaluate our range of options, and estimate it will take up to 36 months to complete an orderly run off of 19th Capital

➤ **We expect to recover ~\$100M of our ~\$260M residual investment in 19th Capital by the end of 2019**

Strengthen the balance sheet



Strengthen the balance sheet

Element will strengthen the balance sheet by maintaining a strong investment-grade capital structure and addressing its near-term maturities

Additional equity capital

- \$300M common share offering to recapitalize the balance sheet
- Commitment to maintaining a strong investment grade capital structure
 - Rating agencies have been consulted: Management expects that both DBRS and Fitch will affirm our ratings at BBB+
 - Fitch's negative outlook will be addressed through the execution of the strategic plan and the performance of new management
- Element has also engaged with the members of its senior lending syndicate, and secured lender support to implement the strategic plan

2019 convertible debenture

- \$345M convertible debenture matures in June 2019
- Element expects to substantially pre-fund the 2019 maturity through
 - The planned sale of non-core assets
 - the implementation of a DRIP, and
 - refinancing certain ABS assets, creating ~\$160M in additional borrowing base

Strengthen the balance sheet *cont'd*

Reducing the dividend will strengthen Element's capital position, fund the transformation plan and allow for further investment in growth initiatives

Dividend reduction

- 40% reduction in the annual dividend (from \$0.30 to \$0.18) is expected to create ~\$100M of retained equity over the next two years
- Retained cash will be used to fund the required investments in the transformation plan

Initiation of DRIP program

- DRIP discount of 2%
- Commences with next quarterly dividend announcement (Q4 2018)
- Expected to generate immediate retained cash flow that can be used to reduce leverage over time

Summary



We are already delivering

Built a well-balanced leadership team mixing new talent and extensive experience in our business

- Jim Halliday, COO (15 years at Element and PHH in leadership roles)
- Vito Culmone, CFO (formerly at Shaw and WestJet)
- Jon Parker, EVP Enterprise Sales (joined Element from GE)
- Jacqui McGillivray, CHRO (formerly at Cenovus, Talisman and RBC)
- Karen Martin, EVP and Treasurer (joined Element in 2012, formerly at Xceed Mortgage)
- Scott Davidson, EVP of Corporate Development (formerly at Canaccord Genuity)

Secured ~40 Quick Wins delivering ~\$30M in run-rate operating income profitability

- Organizational simplification including rationalization and streamlining of leadership
- Strategic sourcing initiatives that shift volume to higher value suppliers

Implemented a Transformation Management Office to accelerate and ensure delivery on the ~\$150M annual pre-tax run-rate profitability improvement

Executing on the acquisition and restructuring of the 19th Capital joint venture

Expanded borrowing base by ~\$160M through the refinancing of certain ABS assets

Key components of reset

1	Staged execution	<ul style="list-style-type: none">• While program is front-loaded, clear decisions made to avoid growth and futuristic initiatives that would require additional capabilities and detract focus from core
2	Collection of smaller projects	<ul style="list-style-type: none">• Unlike integration, execution plan is comprised of several workstreams and many smaller underlying projects – value is distributed across several efforts / teams
3	Transformation office	<ul style="list-style-type: none">• Engage the Boston Consulting Group to leverage their experience in leading large-scale transformative efforts to ensure pace, rigour, effective coordination, and above all – commitment to delivering
4	Customer retention	<ul style="list-style-type: none">• Beyond normal business as usual activities, significant resources dedicated to pure customer churn management and customer experience – to manage customer leakage
5	Change management	<ul style="list-style-type: none">• An Element first – a true change management program to manage talent risk and support people development and training through the transition (Korn Ferry engaged)
6	Organization simplification	<ul style="list-style-type: none">• Clarification of roles and responsibilities, lower number of individuals executing key tasks driving accountability and collaboration
7	New leadership team	<ul style="list-style-type: none">• Significant time investment committed to role transition and cutover processes to put in place a leadership team with a fresh perspective and experience in change

Financial outlook

Consolidated after-tax adjusted operating income per share



LTM as of June 30, 2018
Note: 2020 estimate are on a currency neutral basis

➤ **Element is expected to generate after-tax adjusted operating income per share of \$0.90 to \$0.95 in FY 2020**

Our promise: Be realistic, transparent and accountable



Realistic goals

**Realistic path to
achieve them**



**Transparent
communication**

Transparent reporting



**Clear accountability
through implementation
of a management report
card**

➤ **Watch what we do. You will see proof in the actions we take.
We will constantly communicate with all stakeholders and
show our results with regular report cards.**

Element investment highlights

- 1** A leading global fleet management company
- 2** Customer-centric strategy driven by a full-service, technology-enabled model
- 3** Diversified across different revenue streams, client types, geographies and funding sources
- 4** Accountable new management with proven ability to deliver shareholder value
- 5** Transformational reset underway to meaningfully improve earnings, move beyond legacy issues and position the company for growth

CERTIFICATE OF THE UNDERWRITERS

Date: October 3, 2018

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.

CIBC WORLD MARKETS INC.

(Signed) Richard Finkelstein

BMO NESBITT BURNS INC.

(Signed) John Coke

**NATIONAL BANK FINANCIAL
INC.**

(Signed) Maude Leblond

**RBC DOMINION SECURITIES
INC.**

(Signed) Farhan Ali Khan

TD SECURITIES INC.

(Signed) R. Geoff Bertram

BARCLAYS CAPITAL CANADA INC.

(Signed) Erik Charbonneau

J.P. MORGAN SECURITIES CANADA INC.

(Signed) David E. Rawlings

**DESJARDINS
SECURITIES INC.**

*(Signed) William
Tebbutt*

**HSBC
SECURITIES
(CANADA) INC.**

(Signed) Jay Lewis

**MERRILL
LYNCH CANADA
INC.**

*(Signed) Ashwini V.
Inamdar*

**MUFG
SECURITIES
(CANADA), LTD.**

*(Signed) Richard
Testa*

**SCOTIA
CAPITAL INC.**

(Signed) David Garg

CORMARK SECURITIES INC.

(Signed) Alfred Avanesy

RAYMOND JAMES LTD.

(Signed) Sean C. Martin